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ABSTRACT

State-endorsed education service agency (ESA) type organizations are found in 26 state school systems, 23 of which have a complete statewide network serving all local districts. These organizations promote collaboration among local school districts in substate regions or serve as a conduit for implementation of state initiatives. This report examines trends in the form, mission, programs, funding, and accountability of ESAs. In plotting the direction of the ESA movement, this report makes several major assumptions about current educational trends: (1) an acceleration of rural school problems; (2) continued stress in Metropolitan Area Districts; (3) new pressures for educational reform; (4) new pressures on state education agencies for expanded services and accountability; (5) greater acceptance of public choice theory; and (6) a new wave of interest in interorganizational collaboration. Based on these assumptions, seven broad patterns are forecast for the next decade: (1) more state adoptions of ESA networks; (2) structural changes related to governance, number of units in a state system, inclusion of all districts in service units, and elimination of multiple networks within states; (3) expansion of the primary mission of ESAs; (4) expansion of programming and services to meet new education priorities of the 1990s; (5) increased state funding; (6) more rigorous accountability and checks and balances; and (7) new commitment to organizational development. This report contains 44 references and 11 tables and figures. (SV)

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Approaching The Next Millennium:

Educational Service Agencies In The 1990s

ESA Study Series: Report No. II

American Association of Educational Service Agencies

FEBRUARY 1991

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ACKNOWLEDGMENTS

Approaching the Next Millennium: Educational Service Agencies in the 1990s is the second report in a study series designed to shed light on the status of educational service agencies as they exist today as well as what their future might be. The first report, entitled *Education Service Agencies: Status and Trends*, was published by the American Association of Educational Service Agencies (AAESA) in 1979.

AAESA and the authors are grateful to the many individuals whose contributions made this follow-up study possible. Foremost, our hats are off to the administrators of education service agencies all across the country whose vision and commitment have for so long served as exemplary illustrations of the benefits of interorganizational collaboration. We also must recognize the many AAESA members, as well as staff in the state departments of education, who provided information and advice in interviews and through a special survey for this publication.

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SECTION ONE

INTRODUCTION

At the beginning of each new decade, there is a flurry of predictions, projections, and conjectures about what the next 10 years is likely to hold. This seems especially true at the onset of the 1990s, the last decade before the next millennium. We have been virtually bombarded by scenarios about the future course of events in many aspects of the social, economic, and political life of the nation. And, of course, the future direction of the field of education has not escaped forecasters. Predictions have been made about:

- The clear possibilities of the emergence of a national curriculum.
- The establishment of the electronic schoolhouse.
- The total integration of education and other community services.
- The emergence of year-round schooling.

These are but a few of the many views of the future being offered. While one may argue about the validity of the various possibilities, there is little doubt that massive change in education is underway. And because education service agency type organizations are such important actors in many state systems of elementary-secondary education, it's paramount that the leaders of these organizations take a critical look at their future direction. In this publication, the authors put forth one view on what the 1990s are likely to hold for ESAs and similar enterprises.

ESAs: Growing and Changing

State-endorsed education service agency type organizations are found in many state school systems. They were designed to either promote collaboration among local school districts in substate regions or to serve as a conduct for the implementation of state initiatives. Increasingly, in the past few decades, these organizations have sought to achieve both of these policy objectives. The concept of a state-endorsed service unit has been developed most in 23 states, each of which has a complete statewide network of such units that serve all local districts in the state. In three additional states, approximately three-fourths or more of the local districts hold membership in a service type agency, thus giving these states a virtual statewide system. Operating under a variety of titles, service type units have for some time been popularly labeled "education service agencies," or ESAs.[1]

The concept of establishing a unit of school government, setting between a collection of local school districts and the state education agency, is of course not new. Delaware, in 1829, is regarded to be the first state to create the office of the county school superintendent, and to charge

[1] The generic term "Education Service Agency" (ESA) was first widely used by Stephens (1979a) to describe educational organizations in state systems of elementary-secondary education formed to provide services on a regional basis to a collection of local school districts.

this office with the responsibility of performing a number of oversight functions for the school districts of the county (Deffenbaugh and Covert, 1933). This role was a clear expression of one of the three policy objectives cited above — that is, to serve as a conduct for the implementation of a number of state initiatives. In this case, the charge was relatively clear: The county units were to provide better supervision of schools, especially for the large number of one-room rural schools that were so prevalent in the early history of the state. By 1879, 34 of the then existing 38 states followed the lead of Delaware and established similar offices having comparable functions. By the late 1940s all states, except Delaware and Nevada and the 12 states with predominant countywide local school districts, had a county office of education that generally performed administrative and supervisory functions for the state education agency.[2]

Beginning in the early 1960s and extending well into the decade of the 1970s, there was a clear shift in the intent of many state policy communities regarding the preferred (though frequently very broadly stated) mission of state-endorsed education service agency type organizations. It was during this era, for example, that many states considered restructuring the older county offices of education. Increasingly, these units were asked to serve in the dual role of promoting collaboration among local schools as well as serving as one of the major delivery systems for state initiatives. Moreover, still other states without a recent tradition of a middle echelon unit of school government created a system of units to either facilitate collaboration, promote state priorities, or to do both. The relatively rapid proliferation of the newer types of education service agencies during the approximate 15-year period of the mid-1960s to the late 1970s (referred to as the "golden age" of the movement) has been called the biggest movement in school government in the nation in the post-World War II period.[3]

In the 1980s, several additional states implemented a statewide system of education service agency type organizations, and several others continued to fine-tune their previously established networks. However, interest in the concept clearly subsided from the peak years of activity in the 1960s and 1970s. This lessening of interest was no doubt due in part to the seemingly undivided preoccupation of the state policy communities to concerns about the content of school reform measures, a debate that swept the nation for much of the 1980s. Moreover, it could be argued that the development of ESA type organizations might well have run its course and that those states where the concept is most feasible had by the end of the 1970s already launched a strategy to put the concept in place.

We accept the first, but not the second, of the two possible explanations cited. The central thesis of this paper is that the relative plateau in the development of the movement in the 1980s is just that — a plateau — and that interest in the concept will accelerate in the 1990s. Our views about this are in part based on the increasingly clear awareness in state policy communities that the substance of long-term educational improvement must of necessity be expanded to include

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[2] For a history of the formulation of the county office of education, see *The County Superintendent of Schools in the United States* (1950) and Butterworth and Dawson's (1952) short chapter on the evolution of intermediate units. One of the best sources for a discussion of individual state school system developments since the early 1900s that covers the period when most states established an office of the county superintendent of schools is provided in Pearson and Fuller's (1969) edited compilation on the history of education in the states.

[3] For a discussion of precipitating causes for the widespread interest in education service agency type organizations in the late 1960s and 1970s, see Stephens (1977).

greater consideration of the structure of the state system of schools. Further, it also is clear that the economic, social, and political trends of the 1980s will complicate the structure of even the most sound existing state systems of elementary-secondary education. However, the policy options available for improving the delivery of the ever expanding needs of state systems do not appear to be numerous.

While we view the ESA movement to have a bright future in the decade of the 1990s, questions remain about the direction it will take. For example:

- Are we to see a continuation of the variety of ESA governance arrangements marking the first period of their development, or will more uniform features emerge?
- Will the primary mission of different forms of ESAs continue to follow fairly general patterns, or are we likely to witness further divergence, or even the opposite — the emergence of a new core of programming?
- Will the funding of a majority of existing state networks continue to be characterized by instability, or will the networks be the recipients of new definite financing that will permit them to engage more effectively in long-term program and organizational development?
- Will the state networks continue to be labeled by some astute observers of American education as "invisible" players in many state systems of education? Or will the 1990s settle the awkward position in which many of the networks find themselves and thus achieve the long-sought as well as necessary goal of being recognized as legitimate, contributing members of the state education community?

These questions are among those the authors explore.

Author's Major Objectives

One of the overriding objectives of this publication is to have state and local planners and decision makers use our views concerning the future direction of the ESA movement to stimulate a broad-based discussion of the future of this form of educational organization. As already suggested, it is appropriate that a discussion of this type be undertaken at this time. This is especially so because a good number of the prognostications that come with the turn of the decade will enjoy widespread political or professional support. The most popular will most likely be followed by a flurry of strategic planning exercises for addressing the projected trends. One of our minimal hopes, then, is to make certain that the education service agency concept is reflected in deliberations about the future, especially discussions on how best to structure state systems of elementary-secondary education — an anticipated focus of much of the new strategic planning.

We have a second and, in some ways, more compelling reason for offering conjectures about the future direction of the ESA movement. It seems clear that the recent attention given education will not soon subside and, if anything, will intensify as America approaches the next millennium. The importance of education for the continued competitiveness of this nation and for the quality of life of its citizens has seemingly been rediscovered. With this rediscovery, the formulation of new state policies for addressing the perennial yet increasingly hotly debated twin issues of the equality of educational opportunities and the quality of education will most assuredly intensify. Our belief is that the debates over state policy choices for addressing these issues will be enhanced

if a vision of the important potential contributions that education service agencies can play is factored in the equations placed on the table. Many ESAs have a long but, admittedly, only partially documented track record of contributing to the improvement of service delivery in state systems. Yet in our judgment, this state policy option has been either frequently totally omitted or greatly minimized in the new round of discussions about how to improve the performance of the state system. It is our hope that through this publication we will in some small way help fill this gap.

An Overview of the Major Trends Forecasted

Looking at the future for the ESA movement, we see seven broad categories of trends. We call these the "Big Seven" trends. Most of the seven themselves have multiple forecasts. For the most part, we have refrained from using state-specific examples to illustrate the patterns we see unfolding. Where specific states are identified, the intent is to add clarity to the broad movements we believe will occur. Moreover, our focus throughout this publication is on state systems of education service agencies and not individual states or individual ESAs within a single state. On occasion, however, we do cite specific state networks as potential prototypes of practices we believe might become the norms of the future. We also occasionally draw distinctions in what we perceive will take place in ESAs whose service regions are predominantly metropolitan and those that serve essentially nonmetropolitan areas. This important differentiation has always been one of the most critical in the evolution of ESAs in most states and in our judgment will continue to be prominent in the future.

The "Big Seven" trends around which we have organized our discussion are:

- More state adoptions of a network of ESAs.
- Changes in the structural features of many of the networks.
- Changes in the primary mission of the networks.
- More focused yet expanded programming mix.
- New and more definite funding of the state systems.
- More rigorous accountability and checks and balances on the networks.
- A new commitment to the organizational development of the service agencies.

We stress again that the conjectures we offer are in the form of broad patterns that we believe will dominate the movement over the next 10 years. This emphasis on patterns is not only compatible with the method of forecasting we employ, but is also consistent with our position that ESA type organizations will continue to reflect the economic, political, and educational traditions of an individual state. Thus, existing variations in the nuances of their governance, structural, and programming features will undoubtedly continue.

Approaches Used

Two basic approaches are used in the development of our conjectures. The first consists of a brief discussion of a number of state school system developments in the past 10 years and our judgments about their implications. These developments form the basis of our major assumptions. The education service agency movement in the past is of course in large part born from prior attempts to resolve state and local interests in the context of an ever-changing socioeconomic, political, and educational landscape and growing public expectations of the mission of public education. This will be no less true of the future direction of the movement. Our consideration, then, of those new developments that we perceive will have the greatest impact on the form and function of ESA type organizations represents one important building block for the conjectures offered.

The second building block used for generating our views about how ESA type organizations are likely to look and how they will behave in the near future is based on an examination of their past history. Stressed here are the major changes in ESA operations in each of the seven themes highlighted that occurred in the 10 years since the completion in 1979 of what is regarded to be the most comprehensive series of descriptive studies of education service agencies yet undertaken.[4]

Use of these two building blocks combines both trend extrapolation and subjective judgment, two of the three widely used approaches to forecasting. As the name implies, trend extrapolation is a form of inductive reasoning that holds that past trends will continue into the future, on the assumption that no new major policies or unforeseen socioeconomic, political, or other major external events occur that will change past patterns (Dunn, 1981; pp. 147-184). The subjective judgment approach to forecasting has also been described by Dunn (1981) as a form of retroductive logic, "that is, a process of reasoning that begins with claims about the future and then works backward to the information and/or assumptions necessary to support claims" (p. 149).

We say that we make use here of a combination of both trend extrapolation and subjective judgment approaches in that we both have been students of the ESA movement in the writing, research, and other professional work that has occupied much of our individual attention for most of the past quarter of a century. Furthermore, we both have been close observers of state developments during this period and thus have been in a favorable position to engage in our own form of environmental scanning. We have tracked trends as they have unfolded. Many of these same experiences afford us a unique opportunity to make claims about the future direction of education and to incorporate these assumptions, that are summarized in the following section, in offering our conjectures about the future direction of the ESA movement.

[4] This series of reports was conducted by Stephens Associates in Burtonsville, Maryland, under subcontract with the American Association of Educational Service Agencies (National Institute of Education, Department of Health, Education, and Welfare, Grant #OE-G-O-72-4449). The series consisted of nine projects.

Cautions

As with any exercise such as this that attempts to provide a glimpse of what the future might hold, a number of major cautions should be noted. This work obviously reflects our world view of the large number of considerations that went into its development. Especially critical are both the initial assumptions we cite early in the next section and those that are tacitly made throughout all remaining sections of the publication. It follows that, should a number of these assumptions prove to be inaccurate, this would alter the conjectures that are made. Moreover, it should be noted that the conjectures are framed as general patterns that are likely to unfold. Undoubtedly, there will be continued variations across the states in virtually all ESA operations, no less so in the future than in the past.

Finally, it should be noted that the predispositions of those who engage in activities of this type are likely to influence the visions put forth. That is, this publication can't help but reflect our own aspirations for education service agency type organizations. While we have attempted in a number of ways to guard against this, it would be fruitless to assume that we have been entirely successful. Our long-term, well-documented high expectations of the role and function that service agencies can play in meeting the challenges of education simply are too strongly held. It is hoped that this relatively straightforward review of a few fairly obvious inherent cautions has not dissuaded many readers, and that those who choose to proceed will benefit, as we have, from thinking about the direction that education service agencies are likely to take in the future.

SECTION TWO

MAJOR ASSUMPTIONS

It seems abundantly clear that the rapidity of change in America on the eve of the next millennium is without precedent. Changes in the speed of technological innovation has moved us well into the long-heralded "information age," if not already into the early stages of the "cybernetic age." That we are increasingly part of a truly global economy is widely recognized. The fast pace of social change, especially in the most recent era of the post-World War II period, and the recent and largely unanticipated decline in international tension are still other illustrations of fundamental shifts. The acceleration of change caused by social, economic, political, and technological developments appears to be assured for the 1990s. It also clearly complicates the task of forecasting — difficult in even the most stable of times.

Nonetheless, in plotting the direction of the ESA movement we feel reasonably comfortable in stating a number of major assumptions concerning developments that have important significance. The major assumptions we make focus on the structural features of state systems of elementary-secondary education. This exclusive focus on the infrastructure of state systems is appropriate for the education service agency movement now in its most advanced form clearly has its origin in efforts by state and local planners to accommodate socioeconomic, political, and educational trends impacting the state system, as previously suggested. The ESA movement has in the past derived much of its character from the clash between state and local issues. It has been and continues to be one of the principal platforms on which issues of equity and quality are addressed.

We make six major assumptions, which are discussed briefly below.

1. An Acceleration of Rural School Problems

Rural school districts still comprise the majority of districts in a large number of states and are significant in number in still others. Many have historically had difficulty maintaining two of the indisputable essential building blocks for quality education: breadth and depth in their curriculum offerings, especially at the secondary level, and a high quality staff. These problems of course have their origins in the isolation, sparsity of population, and fiscal difficulties of many rural systems. The economic stress in nonmetropolitan regions of the country for much of the 1980s, especially in the traditional industries of farming, energy extraction, and forestry, clearly has compounded many of the historical problems plaguing rural districts.[5] We see little prospect that the huge tides sweeping across much of nonmetropolitan America will abate in the 1990s.

[5] A number of good profiles of the changes impacting nonmetropolitan regions in the 1980s have been issued. See especially Brown and Deavers (1987); Henry, Drabenstott, and Gibson (1986); and Stephens (1988).

Nor do we see in the immediate future the emergence of a national commitment for the development of comprehensive, integrated, cohesive, and balanced policies that will revitalize rural America. So it is likely that many of the still large numbers of rural schools will find it increasingly difficult to provide quality education.[6]

Moreover, it is not likely that one of the favorite strategies of many intended to relieve some of the problems of rural schools will be pursued vigorously — that is, large-scale consolidations that would create districts with larger enrollments. Larger districts, among other advantages, ostensibly are better able to offer a more enriched program of studies. We assume there will continue to be little support in the policy communities to solve the difficulties facing rural systems by mandating district reorganization. We also do not believe the recent use in several states of fiscal incentives to encourage cooperation among districts as a hoped-for first step that would ultimately result in voluntary mergers will result in major reductions in the number of rural systems.[7]

Finally, there is technology and the promise it holds for helping rural schools address some of the difficulties they face. The use of distance learning technologies, especially, has great potential. Technology however cannot be, nor is it intended by even its more ardent advocates to be, a panacea for all of the issues facing rural schools.

2. Continued Stress in Metropolitan Area Districts

Our second assumption is that no consensus is likely to be reached in the near future for resolving long-standing equity and quality issues plaguing virtually all of the nation's large urban school systems and, to an increasing degree, other metropolitan area school systems as well. For example, it seems clear that there is little political support for the initiation of structural remedies (e.g., the creation of metropolitan school districts) advanced as policy options for addressing the problems of urban systems and other less wealthy suburban districts. Nor will the recent spate of fiscal challenges in a number of states in recent years likely result in the kind of long-term remedies needed to seriously address the fiscal and programming discrepancies among metropolitan area school districts.

3. New Pressures for Education Reform

The current problems facing many rural and metropolitan area school districts will be exacerbated by the clear shifts that are increasingly evident in the school reform movement this

[6] There still is widespread misinformation about the extent of the rural district population in this nation. In a recent book (Stephens and Turner, 1988a), we estimate that approximately 57 percent of the nation's slightly more than 15,000 public school systems in 1987-88 were rural small systems. Approximately 20 percent, or one in five, of the nation's over 40 million public elementary-secondary students attend rural districts. These estimates are in general agreement with most calculations.

[7] The use of this strategy is probably most developed in the states of Iowa and Minnesota. Both states offer relatively ambitious financial incentives to encourage neighboring (usually rural) districts to share superintendents and other staff, engage in whole-grade sharing, and participate in other cooperative arrangements.

nation has been engaged in since the early 1980s. For example, a number of the national education goals and objectives adopted in 1989 by the nation's governors and the Bush administration are likely to be particularly difficult for both urban and rural systems, even if the resources pledged simultaneously by these groups to aid in the achievement of the goals is forthcoming. While Congress continues to debate the resolution of the "peace dividend," additional federal support for education is especially problematic in the near future. The size of the national debt is only one of several factors that caution us against a greatly enhanced federal posture in education. Especially complex for many rural and urban districts will be the achievement of the meritorious new national targets of early preschool interventions (Goal 1), increased graduation rates (Goal 2), and much higher levels of achievement in science and mathematics (Goal 3).

A further assumption is that at least some of the many recent positions advanced by still other advocacy groups as a way to enrich the curriculum will also be successful in this decade, thus adding additional challenges for many school systems (such as, expanded vocational-technical programs, more foreign languages, more economic education, more geography education). We want to stress again that we are not arguing the merits of these and other proposals for strengthening the public schools. Our intent is to call attention to the added burden the implementation that many of the proposals will place on large components of state systems of schools.

4. New Pressures on State Education Agencies

Another major assumption we make concerns the future role of state education agencies. It seems clear that these units will be increasingly expected to have in place and make use of a state performance accountability system far more sophisticated than heretofore used in most states. This will require the undivided attention of both the fiscal and staffing resources available to most state agencies. This being so, we assume that most state education agencies will continue to refrain from engaging in a comprehensive way in direct service delivery to both rural and urban systems. Yet, as we have attempted to suggest in our brief discussion of the preceding assumptions, the need for a vast increase in services is precisely what will be needed increasingly by large sectors of most state school systems that are likely to continue to exist in their essential form in the 1990s.

5. Greater Acceptance of Public Choice Theory

A fifth assumption, while closely related to several of the others, is considered separately because of its potential significance. We believe there will be a greater acceptance of the application of public choice theory in education. One of the groups arguing for acceptance of this concept is the influential Advisory Commission on Intergovernmental Relations (ACIR). In a recent publication (*The Organization of Local Public Economics*, 1987), the ACIR, long an advocate for the reorganization of local governments, advanced the position that it is important to distinguish the provision and production of public goods and services:

> A local public economy can be viewed as having a provision side and a production side, each of which can be organized in different ways. The criteria for organizing provision differ substantially from the criteria for organizing production. Provision criteria are concerned with how best to satisfy the preferences of citizens; production criteria have to do with the efficient management of human and material resources. In particular, the appropriate scale of organization for provision is frequently quite different from the appropriate scale for production (p. 1).

The ACIR's reversal of its historical position concerning the fragmentation of local government would seem to be put firmly to rest when it stated:

> ...a multiplicity of general-purpose and special-purpose governments in a metropolitan area is not an obstacle to good government or to metropolitan governance. On the contrary, a diversity of local governments can promote key values of democratic government — namely, efficiency, equity, responsiveness, accountability, and self-governance. A multiplicity of differentiated governments does not necessarily imply fragmentation; instead, such governments can constitute a coherent local public economy (p. 1).

Distinguishing provision from production allows one to minimize the previous position of many that hold that, in the case of education, each local school district in a state must not only provide all state-required or needed services, but in addition, produce all those services. This is a formidable task, indeed, given the current widespread discrepancies in the wealth and other resources of both rural and urban school systems.

6. A New Wave of Interest in Interorganizational Collaboration

The final assumption we make here is that the merits of interorganizational collaboration will be more widely acknowledged by both local and state planners and decision makers as necessary not only for the improvement of the educational services of a local district, but perhaps as a vital condition for the continued survival of many systems. There is a consensus in the literature concerning factors that cause an organization to seek out or to be receptive to engaging in relations with another organization, and most of these seem to be present as we begin this new decade. In a recent article, Stephens (1988b) summarized these factors:

- When the organization is faced with a situation of resource scarcity or other perceived need.
- When the organizational leadership perceives the benefits to outweigh the costs.
- When the organization has a common mission and perceives that attainment of its goals is more likely to be realized through interorganizational arrangements than by acting alone.
- When there is a history of good relations, a positive view of the other, and both are in close geographic proximity.
- When the organization can maintain its organizational identity.
- When the organization members can maintain their prestige and authority.
- When the organization has few or no other alternatives (p. 14).

These seven core propositions represent a consensus of what Stephens regarded to be the best of the work done on interorganizational relations (Levin and White, 1961; Warren, 1967; Schermerhorn, 1975; Van de Ven, 1976; Crandall, 1977; Northwest Regional Educational Laboratory, 1980; Yin and Gwaltney, 1981; and Rodgers and Whetten, 1982). The seven propositions also suggest what form of interdistrict relations is likely to be most receptive to local school districts.

However, as also proposed by Stephens in this same article, there is more to be said concerning the promotion of interorganizational arrangements of whatever type is decided on:

> One also needs to think about how best to implement this policy choice, once the decision is made to promote its use and design configurations are agreed upon. While implementation considerations are implied in a number of the seven previously cited core propositions, direct reference to this issue has received scant attention by specialists in the field. Therefore, what follows is one additional proposition that is directed to this important phase of public policy development. This proposition in particular flows from my own study and observation of state and local planning and implementation efforts to promote interorganizational arrangements that have extended over two decades:
>
> > The successful implementation of widespread interorganizational arrangements is dependent upon a strategy of using state-induced external incentives to motivate local decision makers to seek out or be receptive to such efforts.

Stephens goes on to note that state-induced incentives can take several forms. At a minimum, the state should:

- Announce its policy commitment to promote interdistrict relations.
- Develop and use planning guidelines that establish a clear rationale for the functional areas that lend themselves to sharing.
- Establish criteria on the preferred interdistrict organizational configurations.
- Provide financial incentives to promote interdistrict configuration, especially when this is coupled with the denial of monies in the state aid program for districts that persist in unilaterally expending state funds for programs in areas previously established as those lending themselves best to a form of interdistrict arrangement (pp. 14-15).

To summarize then, it seems clear that local school district support for pursuing interdistrict collaboration is strong, and will remain so well into the future. It seems equally clear that the states will increasingly recognize the need to make use of this strategy to realize their policy goals.

SECTION THREE

MORE ADOPTIONS OF STATE NETWORKS OF EDUCATION SERVICE AGENCIES

Our first conjecture about the future of the movement is that we anticipate another spurt of intense interest in the creation of new state networks of education service agency (ESAs) type organizations. We develop this position by first establishing the number of state networks in existence at the close of the decade of the 1970s, and then cite what we believe were the major developments of the 1980s.[8]

Types of ESAs and Extent of Use

At the beginning of the last decade, three basic forms of ESAs were judged to be in place across the nation.[9] The three were based on a taxonomy developed by Stephens (1979) that utilized over 100 characteristics of all of the existing state networks then in place. The characteristics focused on: how the networks were established; their governance arrangements; staffing features; programming patterns; fiscal support practices; and state education agency relationships. Emphasis was given to characteristics of the different types of service units that appeared to account for the complexities of the external environment under which the units functioned, their mode of operation, and their products — all widely acknowledged objectives of taxonomic efforts of this type.

Working definitions of the three basic types of ESAs developed in this exercise were:

Type A: Special District ESA
A legally constituted unit of school government between the state education agency and a collection of local education agencies. This pattern or type of ESA appears to be supported by the view that ESAs should be established by the state, or the state and local education agencies acting in concert, to provide services to both the State Education Agency (SEA) and constituent Local Education Agencies (LEAs). Dominant characteristics are: 1) legal framework: tends to be structured

[8] The sources for the substantial majority of the discussions concerning ESA organizational-structural patterns evident prior to the 1980s reported here and in all subsequent sections is drawn from the ESA Study Series completed by Stephens (1979).

[9] Each of the three types of service units has its proponents and opponents. One earlier attempt to establish the main arguments advanced in support of or in opposition to the three basic forms is provided by Stephens (1979b).

in legislation or SEA regulations; 2) governance: tends to be lay control; 3) programs and services: tends to be a mix of services for member LEAs and the SEA; and 4) fiscal: tends to be a mix of local, regional, state, and state/federal.

Type B: Regionalized SEA/ESA
A regional branch of the state education agency. This pattern appears to be supported by the view that ESAs should be established as arms of the state to deliver services for the state education agency. Dominant characteristics are: 1) legal framework: tends to be structured in SEA regulation only; 2) governance: tends to be professional advisory only; 3) programs and services: almost exclusively determined by SEA; 4) fiscal: almost exclusively state and/or state/federal. These units were further subdivided into: those providing general services only; and those providing both administrative and general services.

Type C: Cooperative SEA
A loose consortium of local education agencies. This pattern appears to be supported by the view that ESAs should be established by two or more local education agencies to provide services exclusively to members of the cooperative. Dominant characteristics appear to be: 1) legal framework: tends to be general (e.g., intergovernmental relations statutes); 2) governance: tends to be by representatives of numerous LEAs; 3) programs and services: almost exclusively determined by member LEAs; and 4) fiscal: almost exclusively local and state/federal. These units were further subdivided into those that were: multi-purpose (5 or more services), limited purpose (not more than 4 services), and those that were single purpose (Stephens, pp. 218-219).

Stressed in the discussion of the taxonomy was that, while no pure systems were in existence, the three basic patterns could be discerned when the networks were viewed from the perspective of the four critical issues given prominence in the working definitions: their legal frameworks, the makeup of their governing boards, the determination and primary recipients of their programs and services, and their sources of funding. These features are summarized in Table 1 on page 15.

At the beginning of the 1980s, 24 states had either a complete statewide system of one of the three basic forms of education service agency or a virtual statewide system — defined to mean that at least three-fourths of the local school districts in the state were included in a service region. Moreover, several states operated multiple networks of the same or different form side-by-side. The states having at least one network in 1979, the number of units in each state system, the year of their establishment, and the title of the units are shown in Table 2 on pages 16 and 17.

TABLE 1

Dominant Patterns of Types of ESAs with Regard To Four Central Characteristics

Type of ESA	Four Central Characteristics			
	Legal Framework	Governance	Program and Services	Fiscal Support
Type A: Special District ESA	tends to be highly structured in legislation and/or SEA regulations	tends to be lay control	tends to be determined by member LEAs and the SEA or by statute	tends to be a mix of local, regional, state and state/federal
Type B: Regionalized SEA/ESA	tends to be structured in SEA regualtions only	tends to be profes-sional advisory only	tends to be almost exclusively determined by SEA	tends to be almost exclusively state and state/federal
Type C: Cooperative ESA	tends to be general (i.e., intergovern-mental regulations and statutes) and/or permissive legislation	tends to be composed of representatives of member LEAs	tends to be almost exclusively determined by member LEAs	tends to be almost exclusively local and state/federal

Source: *Major Policy Issues Surrounding the Education Service Agency Movement and a Proposed Research and Development Agenda* (1979). Burtonsville, MD: Stephens Associates, p. 3.

TABLE 2

Major Statewide Networks of ESAs, Year of Initial Establishment, And Status in 1979-80 and 1989-90

State	Title of Units	Year Initially Established	Status 79-80[a]		Status 89-90	
			Number Units in Network	Designation	Number Units in Network	Designation
Alaska	Regional Resource Center	1976	5	cooperative	—	—
Arkansas	Education Service Cooperatives	1985	—	special dist.	15	cooperative
California	Office of County Sup't. of Schools	1859	58	special dist.	58	special dist.
Colorado[a]	Boards of Cooperative Services	1965	17	cooperative	17	cooperative
Connecticut	Regional Educational Service Center	1972	6	cooperative	6	cooperative
Georgia	Cooperative Education Service Agency	1966	16	cooperative	16	special dist.
Illinois	Educational Service Regions	1975	58	special dist.	57	regional. SEA
Illinois	Educational Service Center	1985	—	—	18	special dist.
Indiana	Education Service Center	1973	4	cooperative	8	cooperative
Iowa	Area Education Agency	1975	15	special dist.	15	special dist.
Louisiana	Regional Service Centers	1988	—	—	8	regional. SEA
Massachusetts	Regional Education Center	1966	6	regional. SEA	6	regional. SEA
Massachusetts[a]	Educational Collaboratives	1966	44	cooperative	32	cooperative
Michigan	Intermediate School District	1963	58	special dist.	57	special dist.
Minnesota	Educational Cooperative Service Unit	1973	9	cooperative	9	cooperative
New Jersey	County Superintendent of Schools	1906	21	regional. SEA	21	regional. SEA
New Jersey	Educational Improvement Center	1977	4	regional. SEA	—	—

(continued)

TABLE 2

(continued)

State	Title of Units	Year Initially Established	Status 79-80[c]		Status 89-90	
			Number Units in Network	Designation	Number Units in Network	Designation
New York[a]	Board of Cooperative Educational Services	1948	44	special dist.	41	special dist.
North Carolina	Regional Education Center	1971	8	regional. SEA	8	regional. SEA
Ohio[b]	County Office of Education	1914	87	special dist.	88	special dist.
Ohio	Special Education Regional Resource Center	1967	16	regional. SEA	16	regional. SEA
Ohio	Field Services Area Coordinator	1966	13	regional. SEA	13	regional. SEA
Oklahoma	Regional Education Service Center	1974	20	regional. SEA	21	regional. SEA
Oregon	Education Service District	1963	29	special dist.	29	special dist.
Pennsylvania	Intermediate Unit	1971	29	special dist.	29	special dist.
Texas	Regional Educational Service Center	1967	20	special dist.	20	special dist.
Washington	Educational Service District	1965	9	special dist.	9	special dist.
West Virginia	Regional Education Service Agency	1972	8	cooperative	8	special dist.
Wisconsin	Cooperative Education Service Agency	1965	19	special dist.	12	special dist.

Notes: a) Not statewide in scope; however, at least three-fourths of LEAs are included in a service region.

b) Statewide in scope, but city and exempted village school districts are excluded (slightly less than one-half of Ohio's 601 LEAs in 1989-90).

c) Data for 1979-80 status drawn from: *Education Service Agencies: Status and Trends* (1979). ESA Study Series Report No. I. Burtonsville, MD: Stephens Associates, pp. 31-32.

Major Developments in the 1980s

Three new statewide networks were established during the 1980s while two systems were eliminated. The three new systems are:

- The 15 education service cooperatives established in Arkansas in 1985 that are classified at this time as a cooperative ESA network.
- The 18 new education service centers established in Illinois in 1985 that coexist with the older education service regions but are classified as special district ESAs.
- The addition of several new education service centers in Indiana in the late 1980s, giving that state a virtual statewide system of eight cooperative ESAs (a ninth and final center was planned to open in the 1990-91 school year, thus establishing a statewide coverage).
- The creation in Louisiana in 1988 of a statewide system of eight regional service centers sponsored by the state education agency and, thus, classified as regionalized SEA/ESAs (the service centers replaced a network of eight regional staff development centers established early in the decade).

Two previous state systems — the four education improvement centers in New Jersey and the network in Alaska — were phased out in the decade. A third previously classified statewide system, the education service units in Nebraska, no longer meets our definition of a statewide system — even though a majority of the 19 in operation 10 years are still in existence. The state legislature in that state enacted legislation several years ago allowing local school systems to petition for exclusion from a service unit. A relatively large number of local districts have exercised this option, thus pulling the number of local agencies below our working definition of a virtual statewide system (that is, at least three-fourths of local units in a state must be included in a service region).

Anticipated Developments in the 1990s

The 1990s will likely see the education service agency concept adopted in a relatively large number of additional states. States most likely to consider the concept can be classified into six categories, that together constitute what could be viewed as a set of preconditions. Where two or more of these preconditions are present in a single state, as they frequently are, then the probability of state interest increases substantially:

- States with large nonmetropolitan areas and without major topographical barriers that hinder travel.
- States with large numbers of districts having small enrollments, particularly those states where the local districts are not now organized as countywide local systems.
- States already having some ESA type organizations, but not a complete or virtually complete network.
- The existing few states with a tradition of maintaining a middle echelon unit of school government, usually a county office of education.
- States with well-organized, politically active, rural small school interest groups.
- States experiencing, or those that will soon likely experience, legal challenges to existing funding arrangements for education.

A number of states currently without a statewide network of education service agency type organizations that satisfy two or more of the preconditions cited above come quickly to mind. The three predominantly nonmetropolitan midwestern states of Kansas, Missouri, and South Dakota all have relatively large numbers of rural small districts that are likely to experience increasing difficulty in maintaining quality instructional programs due to the prolonged stress in the agriculture and energy extraction industries. Another comparable midwestern state, Nebraska, that for many years maintained a virtual statewide system only to witness inroads into the network in recent years, will likely recreate a new and much stronger state network as the complexities of improving the delivery of services in that state system of elementary-secondary education continue to be recognized.

The two states of Utah and Maine also are anticipated to use the existing service agencies, presently limited in number, as a springboard for the creation of a statewide network. The three states of Arizona, Montana, and North Dakota, all presently operating county offices of education, are also prime candidates for the creation of a new system of ESAs. A number, but not a majority, of the units in each of the three states presently function in many ways as multi-purpose service units — providing programs to local school districts as well as serving as administrative agents for the state education agency. Moreover, legislative proposals to restructure the entire system of county offices to ESA type agencies have in the past been introduced in all three states. We foresee renewed efforts to do so in this decade and, further, that these activities will be successful. The existing system of county offices, plus the presence of a limited tradition of some of the units in each state behaving as service units, provide useful building blocks for state planners pursuing this objective.

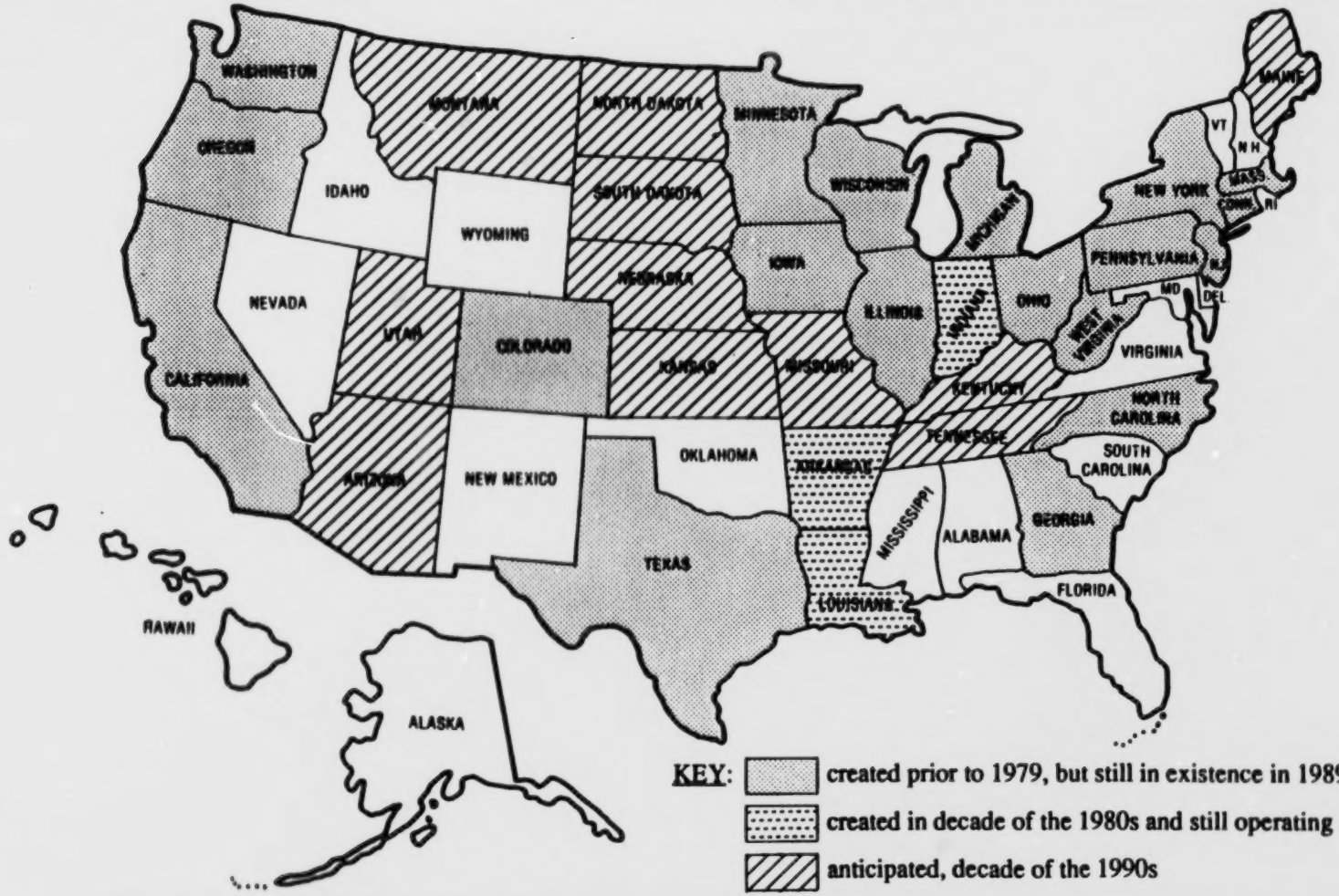
Recent legislative action in Kentucky will create as yet an unspecific number of state-funded regional staff development centers throughout the Commonwealth (see *A Guide to the Kentucky Education Reform Act of 1990*). This initiative is an example of one of the legislative remedies to the precedent-setting 1989 Kentucky Supreme Court decision declaring the entire state school system unconstitutional (Rose v. The Council for Better Education, Inc., 1989) that was initiated by rural school interests in the state, originally as a fiscal challenge. It is anticipated that another southern state, Tennessee, having similar "preconditions" (e.g., legal challenges to existing state funding and an active rural school interest group) will also establish a form of education service agency as a partial solution to the need to enhance its service delivery system.

In summary, we anticipate that 10 additional states will take action in this decade to create a state or virtual statewide system. This does not include our estimate of the redesign and rebirth of a state network in Nebraska. This will raise the number of states having one or more forms of an ESA in operation to 35 of the 50 states, as shown in Figure 1 on page 20.[10] However, interest in the three basic types of ESAs will continue to fluctuate, a topic we consider in the next section.

[10] This estimate may prove to be conservative. Other states to watch include Virginia, Mississippi, and New Mexico.

FIGURE 1

Anticipated States Having One Or More Statewide Or Virtual Statewide Systems Of ESAs, 1999



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Changes in the Types of ESAs

A number of changes in the types of ESAs occurred in the 1980s and we envision even more changes in the next 1990s. Changes in the mission of the networks in the 1980s were perhaps most evident in:

- The **Georgia** system, where the previous cooperative system should be reclassified as a special district, primarily because the network is deeply engaged in providing services for the state education agency alongside its traditional role of responding to service needs identified by constituent local districts.
- The **West Virginia** system that has experienced the same pattern as is true of the Georgia network, and thus should now be reclassified from a cooperative network to a special district network.
- The **Illinois** Education Service Regions, formerly labeled a marginal special district network, that now are more aligned with the dominant characteristics of a regionalized SEA/ESA.

We anticipate that more of the existing cooperative networks will be engaged increasingly in the performance of functions for the state and thus will be reclassified by the end of the decade. We also expect that all but two of the 10 new state networks that we forecasted will be formed in the 1990s (Kentucky and Tennessee) will be asked to perform services for the state while simultaneously responding to local district needs. These then would be labeled special district networks.

Thus, by the end of the 1990s, we anticipate that the special district form of education service agency will continue to be the predominant type operating in the country, as shown in Table 3. These units will have the twin mission of assisting local school districts, while simultaneously providing certain functions for the state education agency.

TABLE 3

Changes In The Number Of ESA Networks, By Type, 1979 - 1999

Type of ESA	1979-80[1]	1989-90[2]	1999
Type A: Special District ESAs	11	13	23
Type B: Regionalized SEA/ESAs	7	8	5
Type C: Cooperative ESAs	8	6	6

Source: [1] Data for 1979-80 status drawn from: *Education Service Agencies: Status and Trends* (1979). ESA Study Series Report No. I. Burtonsville, MD: Stephens Associates, pp. 31-32.

[2] Data for 1989-90 drawn from: *A Brief History of State-Sponsored Interdistrict Coordination*. San Francisco, CA: Far West Laboratory for Educational Research and Development.

SECTION FOUR

CHANGES IN STRUCTURAL FEATURES

In the 1990s, there will be evident movement in several important aspects of the structural features of the ESA networks. Changes will occur in their governance arrangements, in the number of units in a single state system, and in the inclusion of all districts in a state in service units.

Governance Arrangements

With but one major shift, we discern no significant changes in the dominant governance features of the ESAs during the past 10 years. The majority of special district networks continue to have elected rather than appointed boards. These systems also continue to make use of a variety of election processes. While the majority still have their governing bodies elected by members of local district boards of education, both weighted voting procedures (based on student population) and equal voting procedures continue to be used. A minority of networks of this type continue to use general election procedures as the selection process, with both at-large and director-district plans used.

The use of formal governing boards to assist in the management of the affairs of the regionalized SEA/ESA networks continues to be mixed. Where these boards exist, they tend to be appointed, although variations occur (for example, appointed by the chief state school officer: nominated by local districts, or selected by the chief state school officer and state board of education).

The cooperative networks also continue to follow patterns established in the early formative period of their development. A strong majority appoint their members from the professional staff of member local districts, usually individuals formally designated by the governing board.

The use of formally designated ex officio members to sit on and participate in the deliberations of an ESA governing body continues to be limited to the small number of cooperative networks that established the precedent at the time of their creation; this usually was a prescription in their enabling legislation. In a majority of these cases, the state education agency has the authority to appoint one of its staff to serve in these ex officio capacities.

The one new governance shift we see is the much wider practice of making use of a general advisory group composed of consumers of the services of the agencies, and the granting to these groups a much more significant review authority over budget and program decisions. It is true that the majority of special district and cooperative networks created prior to the 1980s maintained from their inception a general advisory body composed of representatives of local districts. These representatives usually were the superintendents of schools. While many of these advisory boards were required in the enabling legislation, others were created voluntarily. The trend we detect, while still not a universal practice, is the requirement that the agencies maintain and expand the role of such groups. Moreover, it appears that many more ESAs have voluntarily moved in this direction, and have done so in the absence of legislative or regulatory mandates.

Finally, the use of functional advisory groups to assist in the planning, implementation, and evaluation of specific programs and services, while always widely practiced, appears to be even more extensive. Elaborate processes for engaging the consumers of specific programs and services are in place in many ESAs and these clearly exceed federal or state compliance requirements (for example, in vocational education and programs for the disabled). It is probable that what seems to be a new norm in a substantial number of ESAs of all types will be firmly established in the 1990s.

Reductions in the Number of Units in a Single State System

The second major structural change evident in the decade of the 1980s was the state-initiated or planned reduction of the number of units in three of the special district networks. The 19 cooperative education service centers operating in Wisconsin at the beginning of the decade were reduced to 12 in 1984. The 58 intermediate units in Michigan in 1980 were reduced to 57 early in the decade. In 1989, the Iowa legislature directed the state education agency to develop a plan for the reduction of that state's 15 area education agencies to no fewer than four or no more than 12. The recommendation of the state board of education, yet to be acted on by the state legislature, is to reduce the number of units to 12 (see *Iowa's AEAs: Foundation for the Future*, 1989).

These three examples of reductions no doubt reflect the perceptions of state leaders that periodic realignments of the geographic boundaries of the networks is important to the continued viability of the systems. All three states have experienced significant population losses for most of the past quarter of a century in their large nonmetropolitan regions. Moreover, each of the three systems was initially created by restructuring an existing middle echelon unit of school government, the county office of education. In some cases, the original geographic boundaries of the networks no doubt represented political compromises that are ordinarily necessary in governmental reform efforts of this type. The realignments in the three states may in part reflect the perceived need to revisit these earlier decisions, and the changing demographics of the state provided a significant rationale for doing so.

We anticipate a continuation of efforts to reexamine the existing configuration of the state networks in a relatively large number of states where the number of units might be unsupportable from the standpoint of either the effectiveness or the cost of service delivery. When making realignment decisions, states will no doubt consider, as they have in the past, a large number of educational factors, such as the number of local school districts, public school enrollment size, travel time in hours from the service agency to a majority of the local districts to be served, and presence of a public postsecondary institution. They also would weigh other important planning factors, including coterminous boundaries with other substate regional public service providers; and coterminous boundaries with regional economic, social, and cultural centers.

Most Important Criteria. In most instances, we believe the realignments will increasingly weight heavily three major criteria:

- A maximum travel time from the service center to a majority of local districts to be served by the unit (with an outer limit of approximately 60 to 90 minutes).
- A maximum population of students (in the range of approximately 30,000 to 40,000 in more sparsely populated regions, and 50,000 to 75,000 in more densely populated areas), or a minimum number of local school districts (in the range of 20 to 25 districts).
- Coterminous boundaries with other regional public service providers (that ordinarily are or will be based on important regional economic, social, or cultural centeredness or regional ethos).

The emphasis on what will likely be a combination of these criteria will reflect rough allegiance to the old planning axiom, "form should follow function." For example, the anticipated prominence on maximum travel time reflects the position that there ordinarily exists a point beyond which constituents of a service unit or staff of the service agency cannot or should not be required to travel in order to receive or provide a service efficiently or effectively. The likely increased attention to be given to a minimum student population base or local school district base is in part a recognition that there is a minimal critical mass of one or the other that is essential for the economical provision of services. The optional use of a minimum number of local school districts is in part a recognition that the blending of diverse districts is enriching for both the districts and the staff of the service unit. The increased focus on aligning the boundaries of a service unit coterminous with those of other regional public service providers reflects the clear move underway across the nation to promote greater coordination between education and other human service agencies.

The technology is well established to blend the frequently competing criteria that we suggest will be given renewed attention in the efforts to redesign existing networks. For example, the previously mentioned Iowa reorganization proposal used a computer program that permitted the timely and exact testing of the benefits and costs of a large number of variables against a list of an equally large number of priorities. This capability permitted the state education agency steering committee charged with the responsibility of recommending a plan to test any number of alternatives and no doubt greatly enhanced the quality of its decision-making processes.[11]

[11] The computer simulations for the Iowa AEA restructuring project were done at the Public Policy Center, The University of Iowa, Iowa City. The specific program used was the Locational Analysis System developed by the Center.

Anticipated Inclusion of All Districts in a Service Unit

One of the truly unfortunate decisions made in the creation of the networks in a handful of states was to either exclude certain classes of local districts from membership in an education service agency (as is the case in New York and Ohio), or allow certain classes — usually systems with large enrollments — to be designated as a service unit (as is the case in Nebraska and Pennsylvania). Though probably required in the compromises necessary to either establish the initial networks or save them from subsequent attack by (usually) large urban district interests, we say these decisions were unfortunate for several reasons.

On the one hand, the exclusion of the large urban districts no doubt contributes to the further isolation of these districts from other metropolitan area districts. It weakens the service unit's ability to demonstrate its capacity to affect the quality of programming for large numbers of students in the excluded urban systems. Importantly, it also denies the service unit an opportunity to address equity issues that are so evident in most metropolitan regions. As a result, the entire state system of elementary-secondary education in the few states where exclusions are in place is without an important resource in the pursuit of both quality and equity for the total state system of schools.

We anticipate an end to these practices in the 1990s due to the convergence of several developments, including:

- The new aggressiveness of the courts to broaden the definition of equality of educational opportunity (as in the case of the Kentucky Supreme Court's 1989 decision in Rose v. The Council for Better Education, Inc.).
- The 1990 U.S. Supreme Court decision in Missouri v. Jenkins, giving seemingly unprecedented power to federal judges to order local officials to increase property taxes to finance school desegregation in Kansas City. The principle established here is that the federal courts can order judicial financial remedies where local and state governments fail to fulfill their constitutional requirements.

Recent legislative action in Ohio makes it possible for the 88 county school systems in that state to enter into service agreements with previously excluded city and exempted village districts. This legislative initiative was generally supported by all interests — rural, large city, and state alike. We believe it will be replicated in the remaining few states that still legislatively preclude a meaningful interface between their service agencies and all local districts.

But removal of legal barriers to relationships between ESAs and large urban districts, though an absolute precondition to long-term cooperation, is only part of the issue. Engaging the two in programmatic activities that will serve the needs of large urban school systems is quite another matter.[12] We discuss the anticipated direction these programmatic activities will take in section six.

[12] Past efforts to describe an ESA's programmatic relationships with large urban districts in its service region were the subject of two exploratory studies that spanned nearly 20 years, thus providing some evidence of the nature of these relationships (Stephens, 1969; and Cappa, 1988). Both exploratory studies concluded that the interface was meager in most instances.

Elimination of Multiple Networks in a Single State

The final change that we anticipate in the structure of state networks concerns the past practices of several states to maintain multiple statewide or virtual statewide systems of different forms of ESAs side-by-side. Illinois, Massachusetts, and Ohio are viewed to be most extensively engaged in this strategy (see Table 2 on pages 16 and 17).

We anticipate states to discontinue this practice and base our estimation on several points. It's evident that the state must increasingly devote its energies to strategic planning for the state school system. This, and the state's further responsibility for the design of broad frameworks for the implementation of plans to achieve its strategic goals, are perhaps the most important roles the state can play in improving the quality of education in the state system. The operation by the state of regional delivery systems can seriously divert the attention, energies, and resources of the state from these leadership roles.

It is for reasons such as these that we believe that Illinois and Ohio will phase out their regionalized operations, reverting major responsibility for services provided by these units instead to their existing special district networks. The situation in Massachusetts, the third state where multiple networks have existed for some time, represents a more difficult transition. Because of state budgetary concerns, the state education agency has already made plans to reduce its existing six regional branches. However, it does not appear feasible to readily shift many of the services formerly provided by the regional centers to the existing educational collaboratives in the state.

As already noted, New Jersey operated a dual system from the mid-1970s to the early 1980s, only to drop support for its four educational improvement centers. The state has a seemingly large number of both state-operated and local/county-operated delivery systems. Some of these are statewide in scope. We do not venture a position on what is likely to occur in this state where, at least historically, reaching a consensus about a preferred delivery system seems to be inordinately difficult.

SECTION FIVE

ANTICIPATED EXPANSION OF THE PRIMARY MISSION

Changes in the primary mission of state systems of ESAs in our view will represent the most significant transformation in the movement in the 1990s. This is especially so for the majority of special district networks and, to a lesser extent, for a number of the cooperative networks. Before identifying what we believe will be the added dimensions of the mission of these two types of units, a brief review is provided of both the original as well as the present expectations for the networks.

The Original and Current Expectations

The formal charters of virtually all of the networks included goals intended to:

- Improve the educational opportunities in the schools of the state, with rural districts frequently singled out as primary concerns.
- Improve the equality of education in regions of the state, with services to handicapped children frequently given special prominence.
- Improve the quality of education in the schools of the state.
- Promote cooperation among local school districts.
- Provide those services desired by local districts.

While these goals continue to be common, even for the newly created systems, we discern a clear, yet subtle and frequently unstated, additional intent in the expectations of many for the networks. In essence, more of the networks have moved into the mainstream of the overarching priorities of the state system of elementary-secondary education. More of the networks, particularly special districts, are now deeply engaged in providing a set of core programs and services that relate more directly to statewide priorities than was true in the beginning of the 1980s.

A number of factors have no doubt contributed to this relatively new predisposition for states to either mandate (or provide significant incentives for) an ESA network to engage itself more in the priorities of the state system. Clearly one factor would be the massive school reform movement of the 1980s. This movement touched virtually all states and precipitated the need for a viable delivery system to implement expanded state requirements. What many state and local decision makers apparently discovered was that they already had available a network to do so. In many instances, the networks had a proven history of being capable of stepping into the breach and providing assistance in meeting the new priorities.

The New Dimensions of an Expanded Mission

We anticipate that the mission of a number of the networks will expand in two different ways:

- An expansion of a number of the long-term, traditional roles played by the networks.
- The addition of new expectations for the networks.

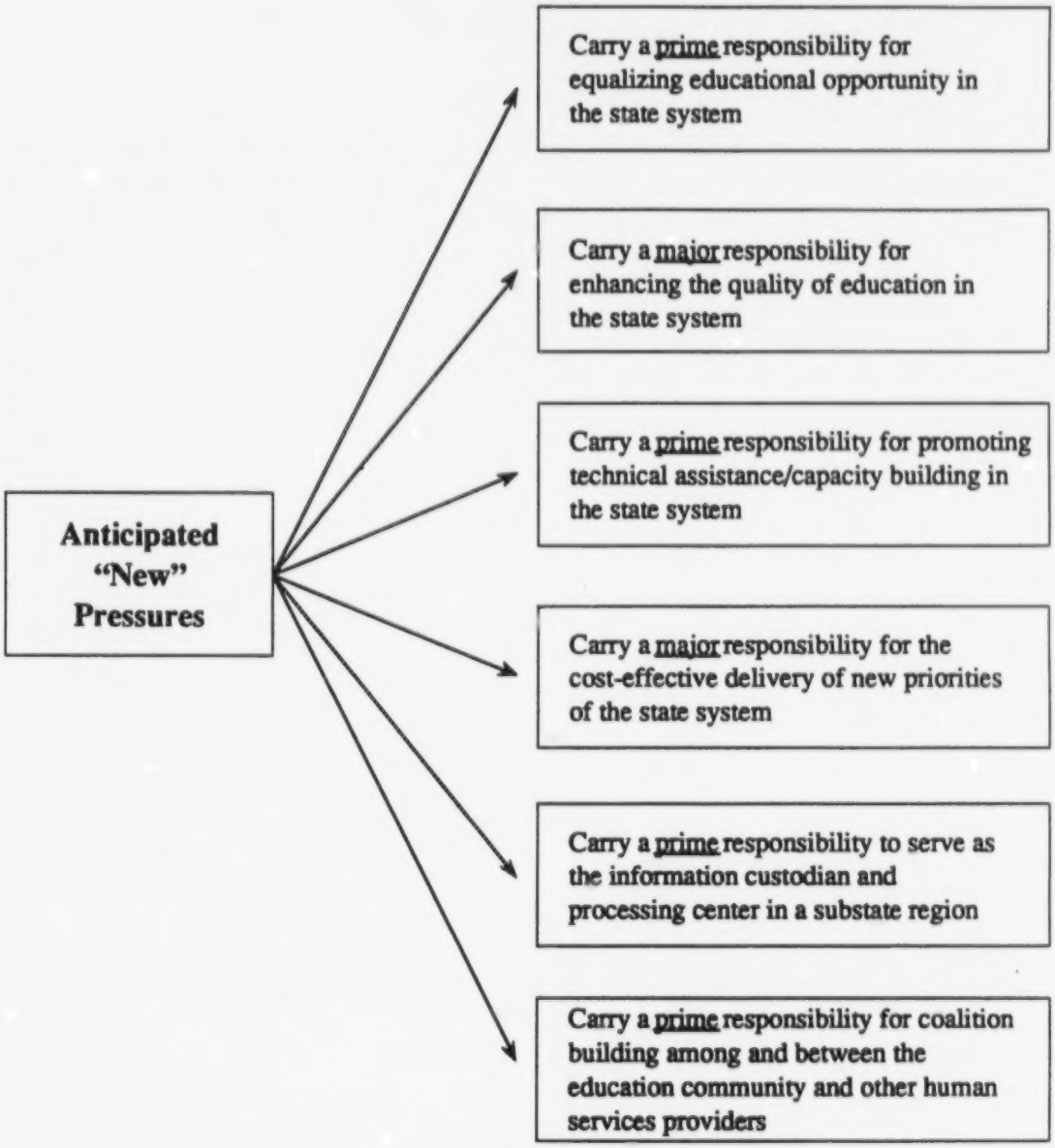
An overview of our position on these two types of expansions is provided in Figure 2. We envision that in an increasing number of states, the networks will be asked to expand their traditional roles. In addition to equalizing educational opportunity, improving the quality of educational programming, and providing technical assistance/capacity building, they will have three new roles:

- To achieve the cost-effective delivery of new priorities of the state system of schools.
- To serve as a steward of information.
- To assist in coalition building.

We discuss our vistas of these new dimensions of the mission of the ESA networks in the next section.

FIGURE 2

Anticipated New Multiple Dimensions Of The Mission Of ESAs


Anticipated "New" Pressures
Carry a prime responsibility for equalizing educational opportunity in the state system
Carry a major responsibility for enhancing the quality of education in the state system
Carry a prime responsibility for promoting technical assistance/capacity building in the state system
Carry a major responsibility for the cost-effective delivery of new priorities of the state system
Carry a prime responsibility to serve as the information custodian and processing center in a substate region
Carry a prime responsibility for coalition building among and between the education community and other human services providers

Source: Adopted from Stephens, E.R. (1989). *A Brief History of State-Sponsored Interdistrict Coordination*. San Francisco, CA: Far West Laboratory for Educational Research and Development.

SECTION SIX

A MORE FOCUSED YET EXPANDED PROGRAMMING PROFILE

As in the earlier sections, we start our discussion with a review of the major programming patterns of ESAs at the beginning of the 1980s and also review what appeared to be the primary rationale used by decision makers for each profile we describe. We then establish what strikes us as the most important transformations to have occurred. This is followed by a number of observations about the future patterns of programming that we envision flowing from the extended mission of ESA networks described in Section Five.

Earlier Patterns

In the past, ESA networks provided a full array of programs and services. A frequently used classification system organizes ESA activities into five major categories:

- Direct instructional services to students enrolled in public LEAs.
- Instructional support services to staff of public LEAs.
- Management services to LEAs.
- Services for the state education agency.
- Services to nonpublic schools (Stephens, 1979, p. 13).

At the beginning of the decade, the profile of programs and services offered by a state network clearly varied among the three basic types of systems (special district ESAs, regionalized SEA/ESAs, cooperative ESAs). Programs and services also varied among the individual units of a single state network of whatever type based on such considerations as the area served (metropolitan or nonmetropolitan), whether or not the unit was essentially created as a single-purpose or comprehensive agency, and other variables.

When taken as a group, clear patterns were evident. The most prominent programming features tended to center on: comprehensive programs for exceptional children, comprehensive educational media programs and services and curriculum development, staff development, vocational/ technical education, data processing and, in the case of special district ESAs, programs and services for the state education agencies.

However, differences in the type and comprehensiveness of programs between the three types of units were evident when the activities of the units are grouped according to the five categories of services. For example, the special district ESA units tended to have the most comprehensive services with regard to:

- Direct instructional services to students enrolled in public LEAs (i.e., education of pupils with handicapping conditions, vocational-technical education, adult education, bilingual education, general academic instruction, gifted/talented, migrant education, and pupil personnel services).
- Instructional support services (i.e., pupil diagnoses/prescription, curriculum services, media and library services, and professional staff development).
- A range of management services (i.e., data processing).
- A range of services for the state education agency.
- A range of services for nonpublic schools.

Few regionalized SEA/ESAs offered direct instructional services to students enrolled in public LEAs. Prominent in the activities of these units at the beginning of the decade were: research and development services, planning services, and selected management services.

Cooperative ESA units tended to concentrate on: direct instructional services, especially the education of children with handicapping conditions; indirect instructional services, especially media and library and professional staff development; and a limited range of management services, most typically centralized purchasing.

It is also important to establish what appears to be the primary rationale used by state and local decision makers in arriving at the earlier dominant programming patterns. The patterns tended to be reflections of a (albeit rough) consensus concerning the use of certain criteria for the allocation of functions. The program initiatives assumed by the units ordinarily were the result of the need for one or more of the following:

- A high degree of staff specialization (as in, for example, curriculum development).
- A high degree of specialization of facilities and equipment (as in, for example, vocational/technical education).
- Substantial start-up and operating costs for services (as was the case for data processing 10 years ago) that generally were beyond the means of an individual local system or that could be more efficiently offered when the resources of two or more districts were combined.
- A minimal student population in order to offer quality programs with efficiency (as in, for example, programs for exceptional children) (Stephens, 1974).

Trends in the 1980s

Many of the dominant programming patterns have held for much of the decade, but there have been some changes. While not large in number, these changes nonetheless are significant:

- States increasingly have specified a core of services that all of the units in a state network must provide. One of the implications here is that states are insisting they have a voice in defining how the ESAs implement their frequently stated mission of "improving the

equality of educational opportunities," or in the equally common expectation that a network "improve the quality of education."

- While the vast majority of the networks have always been deeply engaged in staff development, these activities more than likely consume a much higher percentage of the resources of most units than was true 10 years ago (*Nature and Extent of Educational Service Agency Involvement in Staff Development Services to Local School Systems*, 1988).
- Cooperative purchasing has also become one of the major commitments of an ever increasing number of networks.
- Several of the networks have been assigned a role in new, state-initiated, local school district accreditation programs — a practice virtually unheard of a decade ago.
- Closely related, yet different from the shift toward a core of services cited above, is the apparent movement by many ESAs to no longer take literally their frequent charge to "provide all those services requested by constituent LEAs." Trying to respond to all requests had led many ESA networks to offer a smorgasbord of programs and services, with many of questionable value. Now many of the networks are attempting to offer programs and services that are more in the mainstream of educational practice.

There's one other observation concerning the programming of ESAs that's important to note here: the continued practice of most, but not all, of the ESAs serving metropolitan areas to have virtually no interface with the large urban school district in their service region. This vacuum is in many ways beyond the control of an individual ESA. Indeed, as noted previously, in several states the largest urban districts are either excluded from participation or have themselves been designated as an ESA (The latter is a contradiction on a scale too large to do justice to in comments here!).

Anticipated Changes the 1990s

In the preceding section, we predict an expansion in the mission of ESAs in the 1990s. This is especially so for the special district type agencies that we also expect will become the dominant form of ESA. And this is true for cooperative forms, as well. The expansion we see occurring will call for these two types of service units to be engaged increasingly in those activities that contribute to one or more of six overarching strategic goals of the state system of schools: equalizing educational opportunity, enhancing the quality of education, providing needed technical assistance/capacity-building, promoting the cost-effective delivery of services, promoting the collection and use of vital information on the condition of education, and promoting coalition building among and between the education community and other human services providers.[13]

Discussed below are our views concerning the future programming patterns of service units that reflect this expanded mission. Though we anticipate a continuation of a number of past dominant programming patterns, the new activities clearly represent a new approach for education service agency type organizations.

[13] We estimate that the programming emphasis in the few states that will continue to operate regionalized SEA/ESAs will continue to stress staff development and the provision of technical assistance to local school districts, especially in those areas where the state has undertaken major school improvement initiatives.

We have organized the discussion in these three sequential steps:

- We first cite a list of new educational priorities that both state and local educational communities will confront this decade. Seven categories of priorities, each with multiple features, are highlighted.
- We then establish the anticipated major programming activities of ESAs. These incorporate both the most prominent, continuing prior patterns, along with those features of the new priorities where we believe the ESAs will be a significant actor.
- Finally, we examine the anticipated nature of ESA involvement in the multiple phases of program development in light of the size of enrollment of constituent LEAs. This exercise in particular permits us to establish a degree of discrimination in our assessments not possible by merely listing the likely themes of ESA programs and services. Moreover, it facilitates drawing important distinctions in the expected role of the ESAs that serve in metropolitan regions and of those that function in predominantly rural areas.

The New Priorities

We foresee no pause in the recent, accelerated pressure in the policy communities for the continued strengthening of public education. Nor do we perceive the courts becoming less insistent that equity considerations be paramount in the design of educational programming. Presented in Table 4 is our list of the new educational priorities of the decade — those efforts that will shape the direction and form of the debate about how best to improve public education. We say "new," though it will be noted that many of the priorities have already begun in earnest.

It could be argued that our list of new priorities is incomplete, too comprehensive to be attainable, or flawed in some other way. The list, like other features of this essay, obviously reflects our world view. Nonetheless, we feel confident that the priorities cited would be included on most lists of this type. There seems to be little debate that the characteristics of effective schools, as depicted in the research, will continue (albeit roughly in many instances) to drive the school excellence movement.[14] And while the direction of the movement to establish a more sophisticated student performance accountability system is still unfolding, there seems to be little argument that the centerpiece of these new state efforts will be the three dimensions cited: comprehensive assessment programs, more comprehensive accreditation standards, and the use of sanctions against poorly performing schools.[15]

Further, the inclusion of the six recently adopted national goals for education would seem to be an unquestioned decision, as is our choice for the addition of the two major skills that are required for success in the information age society we are fast becoming. Special interest groups,

[14] The six general propositions cited draw heavily from the syntheses developed by Purkey and Smith (1982) that included over 100 research studies on effective schools, as well as the one developed by the Northwest Regional Educational Laboratory (1984).

[15] It is of course much too early to know with confidence all of the major features that the student performance accountability movement is likely to include. What does seem certain is that comprehensive programs will be installed in the states. The three features cited here seem to be included in most state proposals or those programs already being implemented in the states.

TABLE 4

Anticipated New Education Priorities Of The 1990s

Continued Stress on Characteristics of Effective Schools
- school-site management
- instructional leadership
- curriculum development
- staff development
- parental involvement
- recognition for academic excellence

Stress on National Goals for Education
- early childhood education
- increased high school graduation rates
- competency in English, history, and geography
- extraordinary competency in science and math
- drug-free and violence-free schools
- adult literacy

More Sophisticated Student Performance Accountability System
- student performance assessments
- school/district accreditation standards
- sanctions against poor performance

Stress on Requirements of and Information Age Society
- information processing skills
- skills in the use of computers

Continued Emphasis on Special Populations of Students
- the handicapped
- the at-risk
- the gifted
- vocational/technical

Stress on Distant Learning Technologies
- for direct instruction of students
- for staff development

Stress on School-Interorganizational Relations
- school-other human services providers
- school-other community services
- school-postsecondary institutions

the policy communities, as well as the courts (in the case of handicapped students) are not likely to be less aggressive in the future regarding the promotion of programs for the three special populations of students cited.

The inclusion of an emphasis on distant learning technologies is another one of the priorities that seems unquestionable. To date, the value of both non-interactive and interactive audio and video technologies tends to be limited to their utility in rural schools. We believe distant learning technologies have equal potential in both metropolitan and nonmetropolitan areas and thus have cited technology as a priority. The final of new programming priorities of school district relations with other human services providers and with postsecondary institutions, is being argued for increasingly and will likely garner widespread political support in the decade.[16]

[16] There is voluminous literature on the need for and claimed benefits of closer relationships among and between the educational community and other human services providers. One of the most recent excellent essays on the subject is provided by Cunningham (1989).

Anticipated Major Programming of ESAs

In Table 5, we highlight what we think will be the major thrusts of ESA programming in the 1990s. In this part of the exercise, we use the five categories of traditional ESA programming and place within these categories both the major past, continuing practices along with most, but not all, of the features of the new education priorities.

As established in the overview, we expect ESAs to not only continue to provide direct instructional services for special populations of students previously targeted by the courts as warranting special consideration (such as the handicapped), but to do so for new special populations as well (the gifted in science and math, pre-kindergarten, school-age, adults). Similarly, we envision an expansion of the ESA role in an area in which they have always been active — providing instructional support services to both public LEAs and nonpublic schools in their service region. The new emphasis of service centers in this category will be related to the recently formulated national goals of education (that is, curriculum development in the fields of English, history, and geography; requirements of the information age society; along with the continued stress on staff development).

The 1990s will also see ESAs playing an important, though limited, role in the development of more comprehensive, state-initiated student performance accountability systems, classified here as an example of a management support service to public LEAs. ESA activity in this new priority is likely to center on administration of the programs, analysis of the results of the assessments, and assisting local districts in charting their organizational response. We see no support for an extensive ESA involvement in the two other anticipated centerpieces of the student performance accountability movement (school or district accreditation standards, and the levying of sanctions against poorly performing schools or districts). We also fully expect that ESAs will become the lead organizations in substate regions in the initiation, organization, and facilitation of the closer interface among and between education and other human services providers. Doing so would be consistent with their anticipated new mission to purse this new state strategic goal.[17]

The major direct services that ESAs are anticipated to perform for state education agencies will concentrate on essential tasks needed by the state to plan, implement, and evaluate priorities of the state system of schools. Operationally, this suggests that the state will make extensive use of its statewide networks of ESAs for planning state initiatives; for building capacity in the state system to enhance the implementation of state initiatives; and for the collection and analysis of data on the condition of education in geographic regions of the state.

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[17] In an earlier piece written over a decade ago, Stephens (1977) urged education service units to aggressively pursue their logical role as one of the key spokespersons and advocates for education in the area served by the units. The special strengths that a service unit could bring to this task cited for this role are germane today. The rationale given special emphasis for this position included: (1) the regional unit is typically the one unit in the educational community having a comprehensive areawide perspective; (2) an effective regional unit has the requisite critical mass of planning and programming expertise and resources to exercise a leadership role in regional planning; and (3) through its comprehensive programming mix, an effective regional unit frequently has established linkages with numerous regional health, welfare, and social agencies in the public and private sectors, and with other governmental subdivisions (p. 50).

TABLE 5

Anticipated Major Programming Thrusts Of ESAs In The 1990s

Category	Origin	
	Continuation of Past Practices	New Activity
Direct Instructional Services to Public LEA Students		
• programs for the handicapped	X	X
• programs for the at-risk student		X
• programs for the gifted in science and math		X
• vocational/technical programs	X	X
• early childhood education programs		X
• use of distant learning technologies for instruction		X
• adult literacy		X
Instructional Support Services to Publec LEAs		
• general curriculum development	X	X
• curriculum development in English, history, geography		X
• information processing skills		X
• skills in the use of computers		X
• media and library	X	X
• parental involvement		X
• recognition for academic excellence		X
• general staff development	X	X
• use of distant learning technologies in staff development		X
• skills in instructional leadership		X
• increased high school graduation rates		X
Management Services to Public LEAs		
• cooperative purchasing	X	X
• data processing	X	X
• student performance assessment		X
• coordination of school-other human services providers		X
• coordination of school-other community services		X
• coordination of school-postsecondary institutions		X
Services for the State Education Agency		
• primarily planning and coordination, technical assistance/capacity-building, and information custodian	X	X
Services for Nonpublic Schools		
• primarily in the instructional support services	X	X

The nature of ESA involvement in the priorities overviewed in Table 5 will of course vary with the differing contextual network features, as well as with the traditions of the several states. However, one fairly consistent principle that is likely to hold in any state in the future is that a number of the ESA roles will continue to differ according to the enrollment sizes of constituent LEAs. We address this subject next.

Anticipated Nature of Involvement

We use a combination of two approaches here in an attempt to provide an overview of how we envision the nature of involvement of ESAs in the new programming profile previously outlined. In this part of the exercise, we use five reasonably conventional enrollment size categories:

- Very small (less than 1,000)
- Small (1,000 to 4,999)
- Medium (5,000 to 9,999)
- Large (10,000 to 24,999)
- Very large (25,000 or more).

Our position is that the nature of ESA involvement in the programming thrusts envisioned for the 1990s will vary appreciably according to the critical variable of the size of enrollment of constituent LEAs in a service region, as it has in the past. To clarify the changing nature of ESA involvement, we use a conceptual model of program development that holds that most programs of any size or complexity ordinarily consist of a number of conventional phases, particularly the following:

- Program advocacy phase
- Program needs assessment phase
- Program planning phase
- Provision of technical assistance/capacity-building phase
- Program administration phase
- Program finance phase
- Program evaluation phase.

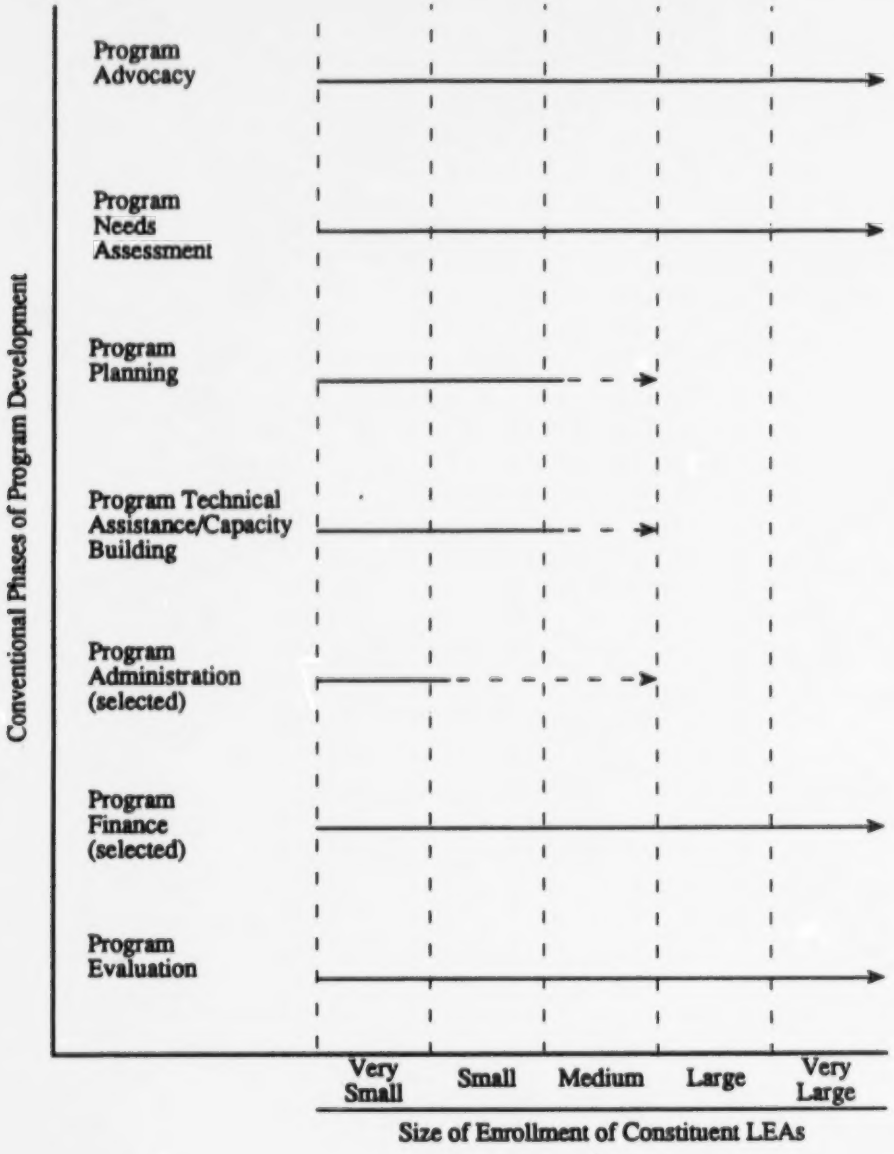
An overview of how we envision the interplay between the size of enrollment variable and the seven selected phases of program development is provided in Figure 3, with the program phases representing the vertical axis and the size of enrollment the horizontal axis.

We anticipate that an ESA will serve in two capacities:

- Provide the main focus of efforts in its service region for the adoption of virtually all of the program initiatives. It will do this by coordinating public interest programs (its program advocacy role), based in part on its completion of comprehensive study of the region (its program needs assessment role).
- As the first-line external evaluator of many of the program initiatives for all districts in its service region (to be supplemented by periodic third-party evaluations).

FIGURE 3

An Overview Of The Anticipated Nature Of ESA Involvement In The Conventional Phases Of Program Development



Legend:
Very Small = less than 1,000
Small = approximately 1,000 - 4,999
Medium = approximately 5,000 - 9,999
Large = approximately 10,000 - 24,999
Very Large = 25,000 or more

Source: Adopted from Stephens, E.R. (1989). *A Brief History of State-Sponsored Interdistrict Coordination*. San Francisco, CA: Far West Laboratory for Educational Research and Development.

The remaining programming profiles envisioned for an ESA will vary according to the size of enrollment of member local districts. We foresee an ESA being deeply engaged in the planning phase and providing technical assistance/capacity-building for many of the program priorities for the very small and small enrollment size districts (those enrolling less than 5,000 students). This is likely to be especially true of program areas that require a high degree of technical competency ordinarily not present in a single district, or where the technical aspects of the successful implementation of a program priority are reasonably universal and not overly sensitive to differences among local districts.

Moreover, we see an ESA being the administrative unit for a number of the program initiatives that require either a critical mass of students to be operated cost-effectively, or a high degree of staff or facility specialization to offer a high quality service. These major program considerations become especially important for the smaller enrollment size districts. We also perceive numerous situations where an ESA will actually serve as the administrative agency for an entire, especially small (usually rural) school district. The service unit would provide all of the instructional and management support services working directly with the local governing board and a teacher-administrator who would provide on-site leadership and coordination.

The next phase of program development included in the approach we use here to establish the nature of ESA involvement in the priorities we anticipate for the 1990s has to do with the financing of the initiatives. We discuss this phase in the next section.

SECTION SEVEN

NEW AND MORE DEFINITE FUNDING

With the advent of a new, more focused ESA mission — and the more important role of ESAs in providing programs and services that are directly tied into the priorities of the state system — will come new and more definite revenues for the ESA networks. We develop this theme by first briefly reviewing trends we discern at the beginning and ending of the 1980s. Our estimations of patterns that are likely to unfold in the 1990s also include a profile of aspects of three existing state funding arrangements (those in Iowa, Georgia, and Washington), features of which might well become the norm in other states.

The Situation in the Late 1970s

A number of dominant funding patterns of both the special district and cooperative networks were evident at the beginning of the decade. (The regionalized SEA/ESA systems were and continue to be essentially state-funded programs.) We call attention to the following as being particularly significant.

Only five of the state networks in the late 1970s had taxing authority and, in all cases, substantial limitations on this authority were in place. Four of the five were special district types (California, Iowa, Michigan, and Oregon). The Nebraska system, then classified as a cooperative network, was the only state in this category having the ability (also very limited) to levy a tax in support of the agencies' administration, including facilities, operations, and services.

While a majority of each of the two classes of agencies relied on a common set of revenue sources, the two differed in the percentage of fiscal support from each. The special district networks tended to receive a much higher percentage of their revenues from state sources than did the cooperative types, as is to be expected. Cooperative networks tended to rely more on federal monies than did special district systems. Both were similarly dependent on the same approximate percentage of revenues from local sources, such as that which would come from service contracts or service assessments.

A variety of variables were used in state aid formulas in support of the networks of both types. Many of the networks received state funds for the administrative costs of operating the units. The most common feature of state funding arrangements, however, was the provision of state aid based on student participation in specific programs. Only a few of the state formulas incorporated factors that gave prominence to either the wealth or the effort of local school districts served by the agencies.

At the turn of the decade, a variety of methods were used by the networks of both types to allocate costs of services provided to local school districts. General administration services tended to be offered most frequently on a no-charge basis or on the basis of the local district per-pupil population. Other regularly used cost assessment procedures were: costs based on participation in a specific program, and costs based on LEA pupil population. Again, the wealth of an LEA was infrequently factored in cost assessments.

The fiscal management requirements of most ESA networks of either type tended to follow the same provisions governing local school fiscal operations (for example, use of a state-mandated calendar for the development of the annual budget, a state-prescribed budget format and accounting procedures, and a state-prescribed annual audit process). Formal local school district approval of the budget of an ESA was required for only a few of the networks of either type. However, formal state budget approval was required in a majority of both types of systems.

The Decade of the 1980s

It would appear that these same general funding patterns have held through the 1980s with these notable exceptions:

- The general retrenchment of federal government support for education throughout much of the decade severely affected virtually all of the networks who historically have relied upon federal sources for a significant portion of their revenues. Many of the cooperative networks appear to have experienced the greatest difficulty. While federal funding under most situations should probably never be viewed as a stable source of revenue, the relatively massive withdrawal of these monies in the 1980s merely added to the already common problem of a lack of definite funding (and subsequent organizational instability) of many cooperative units.

- State aid for many of the networks, especially the special district type, increased substantially during the decade. Where this has occurred, however, it is no doubt due to the state decision to engage the networks more fully in the promotion of new state priorities stemming from the comprehensive school reform initiatives launched in many states beginning in the mid-1980s. Still other networks appear to have successfully positioned themselves to be a vital, if indeed not an indispensable, player in the promotion of new state priorities, resulting in new state monies flowing to the units.

- The fiscal management aspects of many networks also appear to be more rigorous than heretofore. As already established, it would appear that many more ESAs than in the past have voluntarily established procedures that call for greater involvement of local school district representatives in the workings of the agency, including a role in the budget planning and approval practices used. Moreover, while many networks had previously been required to submit their budgets for state approval, it now appears that the budgetary monitoring procedures used in a number of states are much more rigorous than in the past.

- Finally, while not widespread, we discern a move on the part of many ESAs in recent years to engage in the marketing of their products as a revenue-generating strategy.

Future Funding

The centerpieces of our view of the more definite funding for ESAs in the future are twofold: increased state support for those programs and services provided by the units that are directly related to continuing or new state priorities, and the more extensive use of categorical regional taxes designed to equalize educational opportunities in substate regions.

We base our optimism on the greater acceptance for the granting of categorical regional taxing authority to an ESA, in large part, on our position that the courts will continue to be assertive in broadening the definition of equality of opportunity. The courts will pursue judicial remedies that will substantially reduce the huge fiscal discrepancies that prevail among metropolitan area school systems, as well as those that exist for large numbers of distressed rural districts. The one other major policy remedy that is available to honor the intent of the emerging judicial goal of equalizing educational opportunity would seem to be the use of full state funding arrangements. We see little support in the policy communities and in the judicial community for this concept, however, especially in the near future.

The use of a regional equalization tax to provide minimum foundation support for core programs in education extends a concept already partially implemented in some public service fields. For example, regional taxing authorities are already in place to support usually single-purpose public service functions in such areas as transportation, water control, and recreation.

The concept of an area-wide tax base for financing selected educational activities was advocated by the Advisory Commission on Intergovernmental Relations nearly a quarter of a century ago (*Metropolitan Fiscal Disparities*, 1967). While the interests of the Commission were directed toward metropolitan regions, its arguments for consideration of the proposal seem today to be equally appropriate for both metropolitan and nonmetropolitan regions:

> ...if the fabric of the American federal system of government is to be preserved, our metropolitan communities, which are becoming increasingly interdependent economically, must adjust to more of an area-wide approach to the financing of public services, especially education which trains much of the future manpower supply of the area as a whole (p. 9).

Building on these two categories, increased state aid and a regional tax, we present in Table 6 (page 46) an overview of what we believe will be the future funding practices to support the activities of ESAs. It is anticipated that state revenue sources will be significant in all of the direct instructional services to students provided by an ESA. This would represent a continuation of current practice in the cases of regional special education programs and vocational/technical programs in most instances where ESAs have for some time been involved. The state is also expected to contribute significantly to the costs of implementing and maintaining any new state-mandated student performance accountability system. While it is common for state financial support not to follow a new state mandate, this will not likely be the case in such a highly visible, and costly, initiative as the installation of a sophisticated student performance accountability system.

TABLE 6

Overview Of Anticipated Funding Sources For The New Programming Mix Of ESAs

Category	Principal Source(s) of Funding			
	State	Regional Tax	Service Contract	Self-Supporting
Direct Instructional Services to Students Enrolled in Public LEAs	X	X		
Instructional Support Services to Public LEAs	X	X	X	
Management Support Service to Public LEAs	X	X	X	X
Services for the State Education Agency	X			
Services for Nonpublic Schools				X

It is anticipated that revenues from the imposition of a categorical regional tax will be used to support a full range of programs and services provided by an ESA. This will be especially true for the anticipated greater involvement of ESAs in the administration of regional schools for the handicapped and regional vocational/technical schools in both metropolitan and nonmetropolitan areas, as well as the use of ESAs to administer areawide regional schools in the emerging priority areas of early childhood education and science and math. Service contracts, long a major source of revenue, will continue to be used to support those programs and services that are outside an ESAs core programs and that are optional and requested by an individual local district. Services to nonpublic schools also will continue to be largely based on service contracts.

Prototypes of the Future?

Several features of the existing financial support base for the state networks of ESAs in Iowa, Georgia, and Washington are summarized below. They represent what might be regarded as prototypes of the future. We use these three states, all special district types, because in our judgment the practices used in each state are especially instructive. They illustrate three important policy strategies for:

- Achieving a degree of equity in the provision of services in an entire state system.
- Achieving cost-effectiveness in the delivery of services deemed to be critical for the furtherance of one or more state priorities.
- Affecting the quality of programming in the delivery of services deemed to be critical for the furtherance of one or more state priorities.

Others might choose to use the three state examples to illustrate still other features of their funding arrangements. However, we feel confident that the features we stress in the brief profiles provided will universally be viewed to be important.

Iowa: The Iowa Area Education Agencies (AEAs) have three major missions: special education programs and services, media services, and educational services (a relatively open-ended mission to provide consultant services, staff development, and other services needed by local districts). State support for the three program areas in 1989-90 was substantial, in both relative terms and in an absolute sense: $124.44 per AEA weighted enrollment for special education, $23.71 per enrollment in the AEA region for media services, and $26.15 per enrollment in the AEA for educational services. In addition, however, the state reimbursement for each special education student eligible for state aid is deducted from the local district's aid and passed directly to the AEA (Ghan, 1989). These funding arrangements have contributed to equalizing educational opportunity for handicapped children in the state (in the case of special education). Moreover, the support for media services has provided the state with one of the nation's exemplary state systems in this important instructional support area.

Georgia: The Georgia case is especially instructive for illustrating how that state has attempted to use its network of 16 Regional Educational Service Agencies (RESAs) to strengthen state priorities. State support for the centers essentially is earmarked for the employment of specialists in each center whose primary responsibility is the furtherance of state priorities that are called for in the Quality Basic Education Act. In 1989-90, for example, these were specialists in strategic planning, teacher and administrator evaluation, curriculum development, staff development, educational technology, and research and evaluation. Additional state funds are available under state-local matching arrangements, thus encouraging the targeting of resources for program areas judged important by local and state sources (Norton, 1990).

Washington: The nine Education Service Districts (ESDs) in Washington illustrate how a state can combine several factors in its funding arrangements (Winter, 1990). Part of the state funding for all nine units is based on a common core of expectations concerning what services are to be provided by all nine (for example, curriculum specialists, teacher certification specialists), and on a common set of expenditures needed to maintain the units (that is, travel

expenses, facilities rental, board expense). State aid also varies according to the number of second-class (the lower enrollment size) districts in a service region, where the demands on the service units are ordinarily greater.

SECTION EIGHT

MORE RIGOROUS ACCOUNTABILITY AND CHECKS AND BALANCES

In the past we both have frequently asserted that many of the special district and cooperative networks are among the most accountable organizations in their respective state systems of elementary-secondary education. We based this arguable thesis on the large number of checks and balances that were either legislatively prescribed or voluntarily assumed by many ESAs. Moreover, the fact that many of the services of educational service agencies are optional provides a degree of market-sensitivity in the workings of the units that was and continues to be atypical in the public sector.[18] We briefly trace the accountability of ESA networks as a prelude to our discussion of what the future is likely to be on this important issue.

Earlier Practices

The different ways that the state or local school districts (or in some cases, both entities) have exercised authority over ESA policy development are illustrated in Figure 4 on page 50. While no one state system experienced all of the potential checks and balances on their internal decision processes, a surprisingly large number of networks functioned under many of the external controls. State review and approval authority are, and continue to be, most pronounced in the financial processes of ESA operations. This is consistent with the close monitoring by the state of the fiscal affairs of all public sector organizations.

Trends in the 1980s

Several major trends in the 1980s are evident. The first concerns the greater propensity of ESAs to voluntarily grant local districts a greater voice in budget decisions, as previously discussed. Additionally, as the end of the decade neared, a number of states having special district networks further strengthened their checks and balances on the operations of their service agencies by implementing an accreditation program for the network. The six states currently having an accreditation program are Georgia, Nebraska, Ohio, Oregon, Texas, and Wisconsin.

In general, the state network accreditation programs are modeled after those currently used by local school systems and post-secondary institutions (for example, a self-study; site visit by an external review panel; and the use of standards that reflect both compliance with state law or

[18] Certainly parental choice options being promoted in a number of states represent perhaps the most ambitious attempt at injecting market forces into public education.

FIGURE 4

Major Alternative Checks And Balances On ESAs Available To State Or Public LEAs

State Level Authorization, Review, or Approval of...

ESA Policy Development

1. Establishment decisions
2. Governing board decisions (i.e., role and function; selection processes; role and function of advisory groups)
3. Organization and management decisions (i.e., planning processes; evaluation processes)
4. Finance decisions (i.e., revenue and expenditure sources and processes; budget planning processes; accounting and auditing processes)
5. Program decisions (i.e., planning processes; evaluation processes; program offerings)
6. Staffing decisions (i.e., selection processes; qualifications; roles and functions; evaluation processes)
7. Facility decisions (i.e., acquisition of space, location of facility)

Public LEA Authorization, Review, or Approval of...

Source: *Major Policy Issues Surrounding the Education Service Agency Movement and a Proposed Research and Development Agenda* (1979). ESA Study Series Report No. VII. Burtonsville, MD: Stephens Associates, p. 20.

regulation and the norms of "good" educational practice). Several of the states can impose sanctions for ESAs not in compliance or judged to be poorly performing (Stephens, 1989). A summary of selected features of the programs in the six states is provided in Table 7 on page 52.

Future Trends

We believe that the movement toward establishing accreditation programs for education service agencies will accelerate in the 1990s and ultimately include all special district networks as well as a majority of the remaining cooperative systems. Further, we foresee far more sophisticated accreditation systems than that created by the first generation efforts launched in the late 1980s. The distinguishing features of the new programs will be:

- The use of indicators of performance that will provide insight on the effectiveness of the organization.
- The use of indicators of performance that reflect the clear differences in the organizational-structural and process characteristics of an education service agency from other types of educational organizations.

The Oregon Prototype

One of the present state requirements in Oregon fosters what we find to be one of the most creative and effective checks-and-balance arrangements in place. It incorporates several important dimensions of what we regard to be an effective accountability system for service type organizations.

The state requires a rigorous, two-step approval process: Before one of the 29 service units in the state can offer a program to local districts through a service resolution (a majority of programs offered make use of this process), the decision to do so must be approved by an advisory committee of local district representatives. Then it must be approved by two-thirds of the local district boards of education who represent at least a majority of the students in the service region (*Education Service Districts in Oregon*, 1988). The two-thirds majority provision is designed to protect the interests of the smaller enrollment size districts in the service region. The simple majority of students provision is designed to protect the interests of the larger enrollment size districts.

TABLE 7

Selected Accreditation Processes Used By The States

Step	Georgia	Nebraska	Ohio	Oregon	Texas	Wisconsin
1. Completion of Self-Study						
• required	yes	yes	yes	yes	yes*	yes**
• frequency	periodically	7 yr.	5 yr.	5 yr.	5 yr.	3 yr.
2. On-Site Review						
• required	yes***	7 yr.	5 yr.	5 yr.	ns	3 yr.
• membership selection	SEA/ESA	SEA/ESA	SEA	SEA/ESA	SEA/ESA	ESA
• membership chair	SEA	ns	SEA	SEA	SEA	ESA
3. Post On-Site Procedures						
• permissible ESA rejoiner	yes	ns	yes	yes	ns	ns
• public disclosure/report	yes	yes	yes	yes	yes	yes
• required ESA response	yes	yes	yes	yes	yes	yes
4. Use of Results						
• sanctions levied for poor performance	yes	yes	no	yes	no	no
• recognition of exemplary status	yes	no	no	no	no	no

*plus a required annual performance report
**plus a required annual consumer evaluation of services
***plus a required annual legal compliance review by SEA

Key: ESA — education service agency
SEA — state education agency
ns — not specified

Source: Stephens, E.R. (1989). An examination of state accreditation practices for education service agencies. *Research in Rural Education*, 6 (3), p. 5.

SECTION NINE

A NEW COMMITMENT TO THE ORGANIZATIONAL DEVELOPMENT OF THE SERVICE AGENCIES

The last of our "Big Seven" conjectures concerning the future of education service agencies focuses on their organizational development. We concentrate here, as in most of our discussions, on the special district and cooperative types of service units.

Past Practices

Many of the state networks of special district and cooperative ESAs are now in their second decade of operation. They are in their mature stage of development, having successfully moved through birth, youth, and adolescent stages. While the continued existence of a number of the networks has been questioned from time to time, the supporters of the networks have generally been successful in warding off these challenges. The networks have usually emerged from external threats stronger than before. Moreover, due in part to a recommitment to the concept that frequently followed efforts to eliminate them, many of these state systems experienced steady growth in both their size and in the comprehensiveness of their programs and services.

Generalizations of course are risky here, as in any attempt to profile the huge diversity that characterizes most organizational features of state systems of education service agencies. Nonetheless, we discern that many ESAs increasingly display a number of "natural laws" that ordinarily accompany the age and growth of organizations.

An educational service agency of any substantial degree of programming or staffing complexity probably can best be described as exhibiting many features of a professional bureaucracy. Mintzberg (1983), whose work we regard to be one of the richest treatments of the emerging field of the organizational design sciences, reminds us that professional bureaucracies rely almost exclusively on the skills and knowledge of their professionals, the operating core, to function successfully. The operating core is the prime coordinating mechanism in the organization. It is where the expertise of the organization rests (pp. 190-192). It follows that the training and indoctrination of the professionals who have the expertise, and who are the primary contact with large numbers of the organization's clientele, are critical to the organization's effectiveness.

Staff development is among certain needs that are basic to all organizations of any complexity. These needs must be addressed if an organization is to be effective; and of course the opposite is true: When organizational needs are ignored, the organization will likely become ineffective.

There is of course a copious literature on the needs of organizations. Our preference is for the statement of basic organizational needs put forth by Selznick (1948) over 40 years ago. Selznick's statement is highly compatible with the integrated model of organizational effectiveness, and thus is useful for establishing several of the most important dependent variables in organizational effectiveness studies (both features also are clearly our preferences):

1. Security in the organization as a whole in relation to the social forces in the environment.
2. Stability of the lines of authority and communication.
3. Stability of the relationships within the organization.
4. Continuity of policy and of the sources of its determination.
5. Homogeneity of outlook with respect to the role of the organization (pp. 26-27).

Homogeneity of outlook, Selznick's fifth basic need, does not occur by happenstance. It must be worked at continuously. This basic need, and the other four as well, are central to the organizational development of the unit. While this perspective of the basic needs of an education service agency has in the past been used to alert state and local planners of the special needs of ESAs (Stephens, 1974), it has equal utility for focusing on the organizational development needs of the agency itself.

Regrettably, our assessment of the existing commitment of far too many ESAs is that scant attention is paid to the continuing self-renewal of the agency. Such neglect has served as a major deterrent to agency clients and has constrained the potential good that agencies can achieve.

Future Trends

If even a fraction of the trends we have offered prove correct, education service agencies will experience rapid growth in the 1990s. Importantly, they will attain the status of full partners in the state system of schools. They most assuredly will not be confronted with three of Whetten's (1980) four major reasons why organizations decline: vulnerability, loss of legitimacy, and what he calls environmental entropy (in this case, a reduction or total loss of the economic capacity of local districts or the state to support the service unit).

However, there is no "natural law" that assures that an education service agency cannot fall victim to Whetten's view of the fourth major reason for the decline of organizations: organizational atrophy. Acceptance of an organization's tendency to atrophy over time is widely recognized in the literature and it would be well for service agencies to give continuous attention to their own organizational development and renewal.

There is little agreement today on what constitutes organizational development (OD). We tend to support the definition offered by Huse and Cummings (1980). They define OD as "a systemwide application of behavioral science knowledge to the planned development and reinforcement of organizational strategies, structures, and processes for improving an organization's effectiveness" (p. 2). Their definition emphasizes several features that differentiate OD from other organizational change and improvement strategies. Especially important, the primary intent of OD is the improvement of the effectiveness of the organization. As stated by Huse and Cummings:

> This involves two major assumptions. First, an effective organization is able to solve its own problems. OD helps organizational members gain the skills and knowledge necessary to do this problem solving. In this sense, OD differs from other forms of planned change in which external experts either directly solve organizational problems or recommend firm solutions to those problems. Second, an effective organization has both a high quality of work life and high productivity. It is able to attract and motivate effective employees who then perform at high levels. Moreover, the organization's performance is responsive to the needs of external groups, such as stockholders, customers, suppliers, and government agencies, that provide the organization with resources and legitimacy (p. 3).

Owen (1987) provides an insightful position on the value of OD that stresses system renewal, while arguing against the inevitability of atrophy:

> OD rejects the notion that atrophy is inevitable in organizations. Stated positively, the view is that an organization can develop self-renewing characteristics, enabling it to increase its capability, to adapt to change, and to improve its record of goal achievement.
>
> This concept of system self-renewal sees the organization not as being helplessly buffeted about by exigencies and changes thrust upon it, but as growing in its ability to initiate change, to have an increasing impact upon its environment, and to develop an increasing capability to adapt to new conditions and solve new problems over time. Perhaps more important is its ability to develop a growing sense of purpose and direction over time. The view is of an energized system marked by increasing vitality and imaginative creativity.
>
> The self-renewal concept is at the center of the difference between organization development and organization improvement. The goal is not merely to overcome an immediate problem and arrive at a new "frozen" state of organizational functioning. The concept is one of building into the organizational system the conditions, the skills, the processes, and the culture that foster continual development of the organization over a sustained period of time (p. 221).

We anticipate that many more educational service agencies will commit resources to their own long-term, systematic improvement. While their OD efforts will likely (indeed, must) vary, we nonetheless anticipate a number of common features that strike us as essential centerpieces of all such efforts. Chief among these are:

- Substantial resources expended for the systematic indoctrination and long-term training of the professionals of the organization (the key coordinating mechanism of the ESA).
- An increased grouping of agency professionals, combining market considerations with the traditional approach, grouping by functions.
- An increased decentralization of many planning and operational decisions in the organization to those who should possess the greatest expertise in the organization, the professionals; while simultaneously concentrating authority over activities that most influence and shape the mission of the organization — for example, resource allocation plans. (Most will recognize this as one of the eight widely acclaimed attributes of successful companies advocated by Peters and Waterman (1982) — "simultaneous loose-tight properties.")
- An acceleration in the recent trend of using of not just one but multiple numbers of constituent advisory groups. (Most will also recognize this as illustrative of still another of Peters and Waterman's eight attributes — "close to the customer.")

While not lengthy in number, the four strategies cited above, augmented as they must be by local considerations, should provide a solid foundation for meaningful organizational development of a service unit. We perceive that more governing boards and leadership personnel of ESAs and agency constituencies will recognize the importance of investing in organizational self-renewal.

SECTION TEN

SUMMARY AND CONCLUDING COMMENTS

The 1990s promise to be significant in the further development of statewide systems of education service agencies (ESAs). Education service agency type organizations have functioned in a large number of states for a number of years. Diversity has always characterized how these units of school government have been governed, their roles and functions, how they are financed, and virtually all other of their organizational-structural features. Though variety will continue to be a hallmark of state systems of ESAs in the future, we anticipate a number of general patterns that are likely to prevail in this decade. A summary of the main features of what we have labeled the "Big Seven" developments in the movement that we have highlighted in this essay is provided below, followed by several concluding comments.

Summary of Major Conjectures

The first of the "Big Seven" conjectures about the future of the movement is that we anticipate another spurt of widespread interest in the creation of new statewide systems of ESAs. We base this estimate in part on a number of major assumptions we make early in this publication, especially:

- Accelerated difficulties of the many rural small school districts that are to be found in large numbers in many state systems of elementary-secondary education.
- Lack of political consensus for resolving long-standing equity and quality issues plaguing virtually all of the nation's large urban school systems and, to an increasing degree, other metropolitan area school systems.
- A redirection of the school reform movement that is likely to add to the burdens facing both rural and urban systems.

We also establish a number of preconditions that must be present in a state to make it a prime candidate for the creation of a system of ESAs. Especially significant as indicators of future action are those states that have the following:

- Large nonmetropolitan regions without major topographical barriers that hinder travel.
- Equally large numbers of small enrollment size districts that do not have coterminous boundaries with those of a county political subdivision.
- A tradition of maintaining a middle echelon unit of school government.
- Well-organized, politically active, rural small school interest groups who will support this policy option instead of having the state mandate district reorganization as a means for addressing mounting difficulties.

We also anticipate that a strong majority of the new statewide systems will be asked to provide services to both constituent local school districts and to the state education agency. Thus, they would behave more like special district type service units. Special district ESAs clearly will be the dominant form of ESAs by the end of the decade.

The second of our "Big Seven" estimations concerns changes in the governance/structural features of the networks. We anticipate a growing practice of making extensive use of advisory groups composed of representatives of member local districts, and the granting to those groups of substantial decision-making authority over the programming and, increasingly, the budgetary actions of the units. We also envision a continued reduction in the number of ESAs in some single state systems, as well as the elimination of multiple types of service agencies that continue to operate side-by-side in an individual state. Importantly, we anticipate a fundamental shift in the structure of the state networks whereby all local districts, especially the large urban systems, will be placed in a service region as a prelude to the promotion of a greater interface between the two.

An expansion of the primary mission of ESAs is the third of our "Big Seven" conjectures. Heretofore, service units have been expected to equalize educational opportunity, improve the quality of educational programming, and provide technical assistance/capacity-building. Not only will these traditional roles be enlarged, but new expectations of the networks will be added. These expectations will center on the cost-effective delivery of new priorities in the state system of schools (as opposed to the traditional emphasis on attempting to do so at the local level). Also, ESAs will serve as the custodian of information on the condition of education in their service region; and they will engage in coalition building among and between the education community and other human services providers.

This anticipated expansion in the mission of the service units will be reflected in a more focused yet expanded programming profile, the subject of our fourth category of conjectures. We see no forthcoming changes in a number of the dominant existing programming features of a substantial number of ESAs, especially: the provision of direct instructional services to students (e.g., programs for the handicapped, vocational-technical programs); instructional support services (e.g., curriculum development, media and library services, staff development); and management support services (e.g., cooperative purchasing, data processing). However, we envision a very prominent role for ESAs in many of the unfolding "new" educational priorities of state systems of schools in the 1990s.

We identify the "new" priorities as falling into seven categories, each with multiple dimensions: There will be continued stress on the characteristics of effective schools; stress on the newly adopted national goals of education; emphasis on more sophisticated student performance accountability systems; a focus on the requirements of the information age society; continued emphasis on special populations of students; stress on distant learning technologies; and an the emphasis on improved school-interorganizational relations. We envision ESAs carrying the prime responsibility, or serving in a strong supporting role, for the furtherance of many of the features of these new priorities.

The fifth of our "Big Seven" conjectures centers on the funding of ESAs. Increased state support will follow the deeper engagement of the service units in the new priorities of the state system of schools. We also envision strong support for the use of new categorical regional taxes to underwrite the costs of both metropolitan and nonmetropolitan area ESAs' anticipated deep involvement in several of the new priorities — especially programs for the gifted in science and math, early childhood education programs, and the use of distant learning technologies.

The sixth conjecture calls for the strengthening of the already relatively extensive checks-and-balances placed on many of the networks. We envision the growing use of state accreditation standards governing all aspects of an ESA's operation, a pattern begun in several states in the late 1980s. The new standards will make extensive use of indicators of performance that are specific to the special features of a service type organization, and thus will permit the development of more meaningful assessments of an ESA's organizational effectiveness.

Our final conjecture is that far more ESAs than at present will engage in meaningful, long-term organizational development efforts. One of the centerpieces of these efforts will be the commitment of substantial resources for the indoctrination and long-term development of the professionals of the organizations, the unquestionable key coordinating mechanism of a service type agency.

Concluding Comments

It is to be recalled that one of our hopes for this publication is that it will stimulate in the state and local policy communities across the land a discussion concerning the future of a type of educational organization that has in the past contributed substantially to the quality of education in many state systems and clearly has great potential for continuing to do so as this nation approaches the next millennium.

Though we have refrained here from addressing in a direct way the great potential benefits that ESAs hold for strengthening the state system of schools, it should be clear where our position concerning this matter lies. The exemplary ESAs now scattered across the country are not flashes or aberrations. In our judgment, they are not an example of the frequent fads that regularly sweep the field of education with great fanfare only to pass with the night. Indeed, the exemplary service units already display many of the characteristics given prominence in this publication and thus have helped to frame the vision advanced here. One of the basic premises we make is that the demonstrable successes of these lighthouse ESAs provide a glimpse of what will become the norm.

It is of course likely that we have missed some of the inevitable changes in the movement that will occur. Nonetheless, we believe that the trends highlighted address a number of the most critical changes that will shape the future of the movement. Importantly, our "Big Seven" conjectures should provide a view of what is possible; and this, after all, was the driving motive behind this speculative exercise.

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Dr. Turner has worked continuously with local, regional, and state educational service agencies in areas of administrative organization, innovation, curriculum development, performance objectives, computer management, and effective school management. He has served as an officer in many organizations, both community and professional, including president of the State Boards of Cooperative Services in Colorado for three years; and president of the Rural Education Association.

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About AAESA

The American Association of Educational Service Agencies is a national organization that represents educational service agencies by affecting national legislation, providing staff development through programs and services, and building an active network among regional educational agencies. The organization serves as a communication vehicle for agencies to share ideas and common concerns.

AAESA was organized by 45 regional education service agencies in 1978. There are over 250 regional educational service agencies in the United States that belong to AAESA. In many of these organizations all staff members of each organization belong to AAESA.

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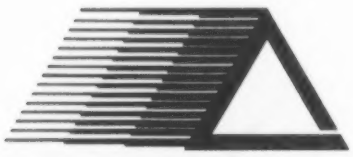

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